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PAPER ATTACKS 'SENSELESS' NUCLEAR-WEAPONS FREE ZONE

Reykjavik MORGUNBLADID in Icelandic 19 Sep 81 p 20

[Editorial: "Senseless Discussion of Nuclear Weapons"]

[Text] When members of the People's Alliance say that we must "take part in the Nordic discussion" on nuclear-weapons-free zones in the Scandinavian countries, they are merely saying that they themselves will be accepted by the minority that considers it sufficient for world peace if the Scandinavian countries unilaterally tell the Soviet Union that they will not defend themselves all out if attacked. The senselessness of this "nuclear discussion" has finally been confirmed in the parliamentary elections in Norway.

During discussions with Scandinavian government representatives, the deputy foreign minister of the Soviet Union, Igor Semskov, who is in charge of Scandinavian affairs, has not been willing to reveal what the Soviet Union has in mind when nuclear-weapons-free zones in the Scandinavian countries are discussed. However, he has said: You in Scandinavia must reach an agreement as to what you want and then you should come to us in the Kremlin. Of course the Kremlin would prefer a unilateral declaration from the Scandinavian countries on a silver platter and in that respect they are betting on the People's Alliance and other similar political movements.

But what government in Scandinavia has taken the initiative for the coordinated stand that Igor Semskov considers necessary? When nuclear-weapons free zones were discussed at a meeting of the Scandinavian foreign ministers in Copenhagen early this month, they were initiated by the Norwegian Government. The Norwegian Labor Party lost support, among other things, because people lost confidence in its foreign and defense policies. The People's Alliance's colleagues in Norway have tarnished the reputation of the Labor Party. It was in order to please this dangerous minority group that the outgoing government in Norway started to make dubious declarations about a nuclear-weapons-free Scandinavia. The new government in Norway will not initiate discussions on a nuclear-weapons-free zone in Scandinavia among Scandinavian governments. The Swedish foreign minister, Ola Ullsten, has stated that it is a violation of Swedish nonpartisan policy to unilaterally declare a nuclear-weapons-free zone. The Finnish Government wants to proceed slowly in this matter; it does not like

to be seen as taking orders from the Kremlin. The Danish prime minister, Anker Jorgensen, is not interested in discussing the issue any further. Prime Minister Olafur Johannesson gives no indication of an initiative by the Icelandic Government.

"The nuclear discussion" will of course continue among leftists in all the Scandinavian countries. It is part of the fear propaganda that these parties consider necessary, and its aim is to convince the public that the Soviet Union is less dangerous than the atomic bomb. However, the implication is that the Soviet Union will drop the bomb on the Scandinavian countries.

8743

CSO: 3111/1

BRIEFS

DECISION ON ENERGY ALTERNATIVES--Energy Minister Poul Nielson said that by the middle of the 1980's a decision must be made as to whether the next power plant in Denmark should be powered by coal or nuclear power. "We are not under pressure to decide on nuclear power because there is enough capacity. The next expansion of electricity production must occur by expanding and constructing heating and power plants around the country where there is room for them. That will bring us somewhere into the 1990's," the energy minister said. He added that there is no either/or choice to be made in the future decisions on power plants. "We could also build more Asnaes plants. It is possible that Asnaes 5 will be the plant of the late 1990's. I have stressed earlier that there is no question of postponing the decision on nuclear power. But we are in the situation of having freedom of action and may not have to decide on the next big plant until the mid-1980's." With regard to the public's attitude toward atomic power in Denmark the energy minister said it would be quite important whether the people were asked before or after the government had approved safe nuclear waste storage. The energy minister also said that the actual supply situation and the future possibility of using uranium from Greenland will greatly influence whether or not nuclear power seems "attractive." [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 6 Oct 81 p 11] 6578

CSO: 3106/5

PUBLIC PETROLEUM CORPORATION PRESIDENT INTERVIEWED ON OIL SEARCH

Athens BUSINESS & FINANCE in English No 161, 26 Sep 81 pp 2-5

[Interview with Professor Zachos, president of the Public Petroleum Corporation
[DEP]]

[Text] It has been with considerable difficulty and anxiety that normal production has now been reached at the Prinos oilfield in Kavala. Full production, of 25,000 barrels a day, is expected to be reached in a month or two, when all ten productive drills come into operation. (At present, there are five of the ten working). A further eight drills are in use to keep up the water pressure, which in turn will maintain pressure on the oil, and so ease extraction.

It is well-known that Greece is one of the most oil-dependent countries in Europe, with an oil bill that totalled \$ 2.982 billion in 1980; one of the most negative influences on the balance of payments. It is with considerable satisfaction therefore, that the Public Petroleum Corporation (DEP) and indeed the entire country can now witness the first fruits being harvested of many years of effort, and hard work, against what occasionally appeared to be almost overwhelming odds.

Business and Finance spoke to Professor Zachos, President of DEP, on the company's present and future plans.

Professor Zachos first outlined some of the major difficulties that the company had to face in bringing Greek oil to the surface. When exploitation of the Prinos field first began, it was discovered that the natural gas that is associated with the oil, was a combination of hydrocarbons, which is useful to man, and hydrogen sulphite (H_2S), which is absolutely lethal for all forms of plant and animal life, and is totally destructive and corrosive.

TRAGIC DEATH OF FRENCH EXPERT

In the long and costly process of recovering the oil and at the same time avoiding the dangers of H_2S , at least one life was tragically lost. It was that of a French expert in the field of oil exploitation, working for an extraction company that had similar deposits, with the same gases, in Laque, in France. Confident in his own knowledge and experience, but perhaps not realising the density of the lethal gas, the man opened the hatch, and immediately was killed as the deadly vapour engulfed him.

In the attempt to rescue him, an American worker was also rendered unconscious by the fumes, and although he was saved, the other life was lost. In the words of Professor Zachos: "We were terrified. We knew how limited our own experience was".

Quite apart from the ghastly effects of the fumes themselves, there was also the problem of transportation of the gas. Underwater pipes, such as are used in the North Sea, are of little use, as the gas has such a high corrosive ability, that there is the danger that the pipes will rupture, the gas escape, and the entire sea be contaminated, bringing complete destruction to all forms of marine life.

Research therefore had to be conducted into the corrosion, then the construction of corrosion-proof pipes, coated inside and outside with a protective agent, and then finally lowered into place. The problems hardly exists at all for the North Sea engineers, as H_2S is not present.

Finally, the Professor himself went

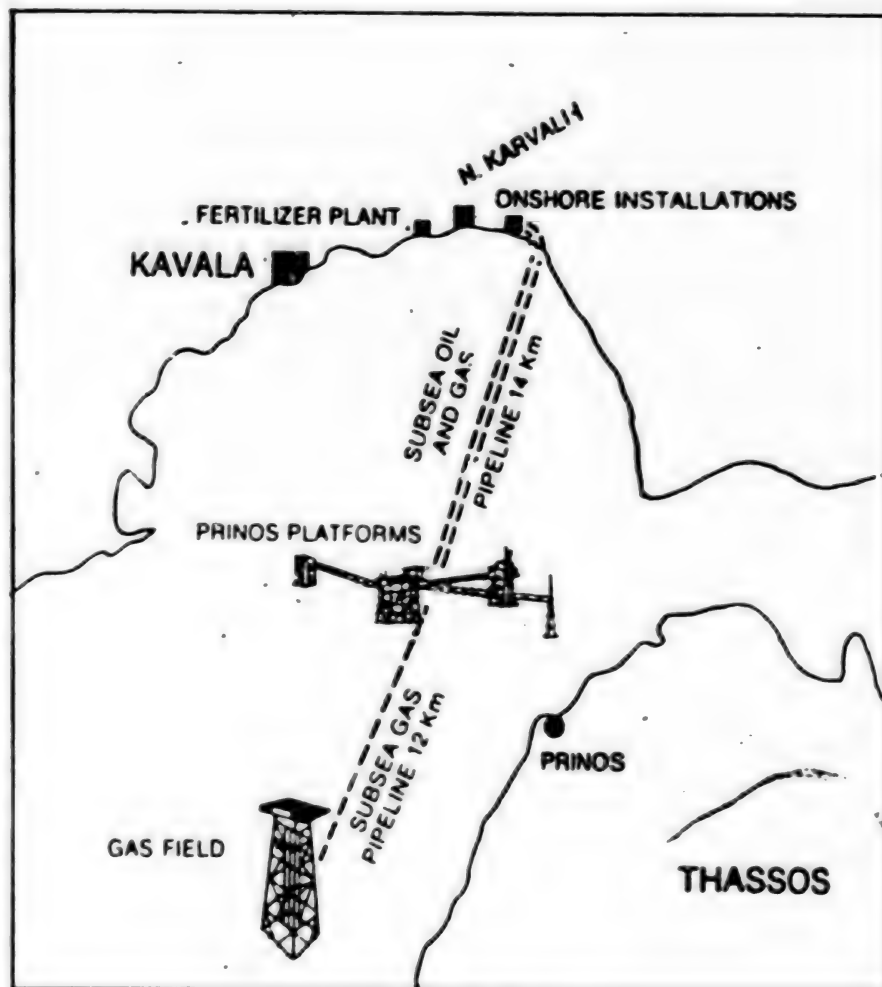
to visit Alberta, Canada, where 52 such deposits exist, in search of a solution. At his invitation, the most sophisticated expert in the field, Professor Govier came twice to Greece, to study the problem here, and find a solution for it. His initial suggestion was that the Claus Method be used. With this method, two units are constructed, and the gas is separated into its two parts of hydrogen and sulphur. The cost of this would have amounted to some \$ 25 million. However, it was turned down by the Professor, because only 95% of the sulphur was actually contained, and the other 5% was burnt off in the atmosphere, converting to hydrocarbon dioxide.

This gas is not in itself poisonous, but it does have disastrous effects on the environment, eating away stone, marble, and other building materials. So a further development was given to the Claus Method, where, at a cost of a further \$ 20 million, the percentage of sulphur released into the environment was reduced to only 1%, and burnt and scattered over a wide distance, its effects were negligible. This, finally, was done, but the Professor pointed out that the ordering, testing, and eventual installation of the equipment was extremely expensive, and time-consuming, the whole project taking three years to complete.

As Professor Zachos said, "We had no intention of establishing new methods - we sought the world over to find the existence of similar cases, to see how they had solved their problems. Today, we have overcome this particular one, but as you are well aware, there are always difficulties and delays. If you buy a new car, you are sure that the vehicle is a good one, and that the mechanism is sound. But nonetheless, there are minor technical hitches and breakdowns, before it settles, and begins to run smoothly. We are speaking here now not of a new car, but of a huge installation, of \$ 500 million. But now things appear to be settling, and regular production has finally begun".

PRODUCTION

Loading the first petroleum, therefore, and producing the first chemically pure sulphur and hydrocarbon gas, constituted a major triumph. These by-products were sold to a nearby phosphoric fertiliser plant, that had to make alterations of its own, as it had hitherto been burning mazut bought from the refineries. An overland, pipeline was constructed, from the oil wells to the plant, just another hurdle that had to be overcome in the path to production.



The Prinos oilfield and South Kavala gas field

Gas, benzine, found off Katakolo.

Following a search that lasted almost three years, by DEP in co-operation with the Romanian Company Rompetrol, considerable exploitable deposits of gas and natural benzine have been found off Katakolo, in the Ionian Sea, at a depth of 2,400 metres. According to a statement by Minister of Industry and Energy Stefanos Manos, the Katakolo reserves are four to five times greater than the North Kavala gas deposits.

This deposit is estimated to amount to 20,000 barrels a day, and as stated by DEP President Professor Zachos, and Managing Director Mr Bikos, during their visit to the floating drill last week, there may be oil at other spots too.

Optimism is justified, they said, but added that hard work is also needed, as well as further tests, expenses, and time, until the economic viability of exploitation is proved. The present target is to determine the extent and the depth of the deposit. However, prospects are good. DEP and Rompetrol have carried out three drillings with encouraging results. According to experts, there is oil to a depth of 5,000 metres.

The offshore Katakolo findings open favourable horizons for the discovery of other deposits and hydrocarbons in the Ionian, and prove that the Ionian is an oil-bearing area.

Professor Zachos said that in addition to the main deposits at Kavala, there is another deposit, much smaller, and with only an estimated five or six years of life. That is expected to produce another 2,000 barrels a day, bringing the total, when full production is reached, to about 28,000 barrels. This smaller deposit has presented few technical difficulties, is already in production, and the gas from the field, which was released in a single drilling, was free of the deadly H_2S .

THE IONIAN DEPOSITS AND THE "ZACHOS CONCEPT"

As the Professor pointed out, it has been well known since Ancient times that Western Greece and the Ionian Sea — the coasts of Epirus, Zante, etc., were oil-bearing. The "Spring of Herodotus" has been releasing a trickle of petroleum into the sea since the time of that great historian, and Homer mentions the coating of tar on the keel of the ships that passed through those waters. Going by the history books alone, the Professor estimates that between eight and nine million tons of petroleum have flowed into the sea since those times.

Other evidence of the presence of oil in that area has been based on more modern science. Road construction in Epirus has released oil, for example. In 1962, in co-operation with British Petroleum (BP), DEP carried out a test drilling, and found oil — good oil — at a depth of 3.5 metres. However, at that time, exploitation was uneconomical, as oil from the Gulf was still cheap at \$ 1.50 a barrel. Further exploration was therefore decided against.

However, the "Zachos Concept", as the geologists have jokingly termed it, was the Professor's personal conviction that this region was oilbearing, and that the oil here could, and should, be exploited economically. During the 1954 earthquake in Cephalonia, he had personally witnessed oil springing from the cracks in the earth that had occurred as a result of the quake. The argument against exploitation in this area had been that the oil was at such great depths that extraction would be difficult and costly. But the Professor's conviction that this was not the case, led finally, to exploration of this region.

In his own words, the exploration of this area has been time-consuming and expensive, but he has been proved right (See box). First geological studies had to

be carried out, and geological maps drawn up. Then a micropaleontological study had to be made, to determine the location of the deposits. DEP then bought seismic equipment from the US, to carry out seismic tests, and then called in the top American seismic research company to carry out their own tests, and confirm the DEP findings.

These tests have resulted in a complete picture of the structure of the area, but it was realised that operating on DEP resources alone, they would need fifty years for production to start. It was for this reason that foreign participation was invited, but on the grounds that DEP continue to hold at least 51% of the rights, and continue with its own programme, regardless of the activities of the other company.

A drilling vessel was chartered — the best of its kind — from Denmark, at a cost of \$ 100,000 per 24-hour period, and the drilling team worked day and night, knowing that a single hour's delay would result in massive and unwanted expenses. Drilling actually started in the Gulf of Keparissia, and gas and condensed benzine have been located in the Katakolo Sea, but further tests are still being done, the team greatly encouraged by the results so far.

The production process in this area, involves the construction of huge cement 'stoppers', that have been perforated in such a way that the oil and gas that there is can flow out. The presence of oil and gas is definite, although the extent of the deposits has yet to be confirmed. But, as the Professor said, "We are pursuing these investigations in this area with a vengeance."

THE AGREEMENT WITH AGIP

Concerning exploration in the Ionian, DEP has drawn up a most favourable agreement with the Italian company Agipgas. Under the four year contract, Agip has agreed to spend at least \$ 25 million in the first two years, and at least \$ 25 million in the second two years, in the search for exploitable gas and oil deposits in the area of Paxi. "Agip", the Professor said, "has considerable expe-

rience from its own activities in the Adriatic, from which we can greatly benefit." If exploitable deposits are in fact found, DEP still holds 51% rights, and will pay for 51% of the exploration expenses. If nothing is found, then the expenses will have been borne solely by Agip.

However, as has been announced within the last week, exploration is already proving fruitful. Professor Zachos particularly commented on the excellent relations and co-operation that DEP enjoys with the Italian company.

ROMANIA - A NEIGHBOUR TO LEARN FROM

"Romania," the Professor said, "was the first country to find oil in Europe, and their oil production in fact began 110 years ago". As he said, Romanian oil, and oil found in the Balkans in general, tends to be in small deposits, scattered over a wide area, and is therefore difficult to extract. "But the Romanians realise the difficulties that they face, and they struggle very hard."

"In Greece, we will have in full operation 10 drillings, and from these ten, we will get 25,000 barrels a day; that is, 2,500 barrels from each drilling. From each of their land drillings, they receive only 250 barrels a day.

"They have been at work on the oil extraction for 100 years, and they make new drillings every year. In 1980, for example, about 2 million metres were drilled, one million productive, and one million research. They have a total rate of between 200 and 300 barrels a day."

"There are many benefits for Greece in the co-operation that we have with Romania. Not only do they have over 100 years of experience in this field, compared to our five or six, but they also have in their country, a similar rock formation. Moldavia, in Romania, for example, has a similar rockbed to Epirus in Greece. And the areas north and south of Ploesti have a structure similar to the coast of the Ionian Sea. It has been my pleasure to visit that beautiful country, accompanied by the chief Romanian geologist, and I have visited their installation. I have a very strong personal belief in the importance of importing Romanian technology and experience. They have a lot to offer us".

As we mentioned at the beginning of this article, it must be of immense satisfaction for all concerned, to see Greek oil finally flowing from Greek land. It is a source of pride and wealth for the whole

nation, that has been made possible through the efforts of men like Professor Zachos, and so many others, too numerous to mention, who have made the production of Greek oil such an important part of their life's work. To all those thousands of men who have been involved in however great or small a measure in the production of Greek oil, the nation owes its thanks.

BRIEFS

OIL PURCHASE PACT WITH USSR--Yesterday a contract was signed in Moscow for the purchase of the following quantities of oil products from the Soviet oil company Sojuznefteexport in 1982, according to a news release from the Ministry of Commerce: 160,000 tons of black oil, 70,000 tons of gasoline and 100,000 tons of gas oil. The news release indicates that this is the same amount of gasoline and gas oil as the present contract calls for, but the black oil is up from 110,000 to 160,000 tons, which will take care of the country's black oil needs next year. Furthermore, the news release says: "Recently the Soviet oil company agreed to deliver 70,000 tons of black oil in addition to the negotiated volume for this year." Under the contract, the price is based on the Rotterdam market, plus an additional fee for the special qualities of the black oil. In current prices, the total value of the contract is a little less than \$90 million. The contract was reached in the name of the Ministry of Commerce and was then handed to the oil companies. Representing the ministry, the negotiating committee consisted of the ministry director, Thorhallur Asgeirsson, department manager Jon Julisson, and on behalf of the oil companies, the directors Indridi Palsson, Vilhjalmur Jonsson and Thordur Asgeirsson, as well as department manager Arni Thorsteinsson. [Text] [Reykjavik MORGUNBLADID in Icelandic 19 Sep 81 p 15] 8743

CSO: 3111/1

EC COMMISSIONER PISANI ON DEVELOPMENTAL AID

Brussels LE SOIR in French 4-5 Oct 81 p 8

[Article by Benedicte Vaes: "Pisani Challenges Haig's Arguments: 'Pure and Simple Commercial Speculation Is Fatal for the Poor'"]

[Text] "I have the deepest concern for the evolution of the African continent. Between now and the year 2000 its population will double and during that same period its self-sufficiency in terms of food may drop from 60 to 40 percent. And 25 million hectares are in the course of becoming deserts."

Edgard Pisani's tone was serious, worried. Claude Cheysson's successor to the post of EEC commissioner for developmental aid for the first time disclosed an outline of his strategy. By assuming the most crucial angle of attack: hunger in the world. He makes no secret of the fact: The commission has no intention of putting on the monetary shoes of the American administration. Its objectives are clearly more generous.

The food situation in the Third World is deteriorating. The population explosion is without let-up increasing the number of mouths to feed but available quantities of food are not increasing. And bigger oil bills are mortgaging food imports. Two other factors play a major role in this situation. Deforested, cleared, exhausted too quickly, soils deteriorate allowing deserts to pursue their merciless advance. Rural areas are also impoverished in terms of people: The big cities with their hopes, or rather their illusions, of employment drain off the poor from the countryside, who, almost mathematically, find themselves even more miserable in the urban suburbs. The number of African urban residents has quadrupled in 25 years (57 million today) and may again quadruple between now and the year 2000.

High Time

Mr Pisani has also decided to concentrate European efforts on two agricultural objectives that are linked to one another: to combat the encroachment of the deserts and deforestation, and to improve scientific research on food crops. It is the export (or "income") crops, that directly serve our economies, which have up to now harvested all the fruits of technology.

Almost nothing has been done to improve the yield of grains, which provide the essence of the diet, in terms of both calories and proteins, of the people of the

Third World. The commission's "research" department, headed by Commissioner Davignon, has just decided to allocate a line of credit to rescue agriculture and health research organizations dating back to colonial days. It was high time.

But deaths due to hunger are not holding off until long-term projects are completed. The commission has also decided to grant exceptional aid for food. One and a half billion Belgian francs will be allocated, particularly for grain shipments to the most underdeveloped countries — those whose per capita domestic income does not exceed 5,000 Belgian francs a year. The "approved distributor" will be the FAO, an international organization dedicated to combatting hunger. It will receive over 100,000 tons of grain to fill its emergency food reserves, which enable it to intervene each time the process of extermination due to malnutrition is speeded up because of drought, cyclones or war.

Europeans, Make Another Effort...

And lastly, Edgard Pisani pleaded vigorously for Europeans to loosen their purse strings a bit more. During the Paris conference in September, the "hunger countries" (the PMA or underdeveloped countries) asked for a contribution from the wealthy nations of about 0.9 percent of their GNP.

Pisani proposed an increase in the EEC contribution at the rate of 0.01 percent more a year. This is not really too much to ask for.

Charity with One Hand, Profit with the Other

Aside from contributing their share in this way, it is also a question of demanding of the countries of Europe that they exercise more rigor in tracking down the factors that sabotage development. Of what use, indeed, is it to offer charity with one hand if the other refuses to sign an international agreement on wheat trading?

"Pure and simple commercial speculation is acceptable for the rich, but fatal for the poor," Pisani said. Retorting harshly to remarks by the American secretary of state, General Haig, who had called for "aid through trade," he lashed out: "We do not agree to delivering the fate of people into the hands of economic forces because we believe that policy has a role to play in the organization of the world."

Among his sympathetically received warnings Pisani did not forget the farmers: "Stop," he in essence said to them, "feeling that your problems can only be resolved by the increased production of certain products (like sugar), which stifle the fragile efforts of the Third World."

11,466
CSO: 3100/34

INCREASE IN INFLATION TO HARM EXPORT CHANCES

Brussels LE SOIR in French 1 Oct 81 pp 1, 2

[Article by C.F.: "Runaway Prices Would Deprive Belgium of Its Last Trump Card"]

[Text] An inflation rate of 12 percent: This is what Belgium can expect if, in the months to come, the rise in prices maintains the same pace attained last July. Of course, if we compare the score for September with that of 12 months before, the rate of climb has stabilized at 8.4 percent. But as of May we had not gone beyond 7 percent during the prior 12 months. And between these two dates the temperature [of the economy] steadily rose: The index "took on" 0.83 of a point in June, 2.46 points in July, 0.74 of a point in August and 1.44 points in September.

Are we playing our last economic trump card, losing that control over prices which alone would permit Belgium to compensate, in the eyes of the world, for losses in value as heavy as a record unemployment rate, an endemic public deficit, the drop in production and the sluggishness of foreign trade? In government circles it is maintained that Belgium is holding on to its options and, all considered, continues to conduct itself "as well as" its neighbors on the inflation front. Nevertheless, this problem is still a very current one. And events like the hike in the price of bread, announced for tomorrow, and the lifting of the freeze on prices can only give rise to new questions.

After having in April frozen all prices for 2 months in the context of a fragile monetary situation, in June the minister of economic affairs established a system of "selective freezes" which expires today. It is being replaced by the usual, flexible enough but constraining system, which forces producers to wait for 3 months, and the opinion of a commission formed to apply an announced rise in prices. In the case of a dispute, the minister of economic affairs has retained the right to step in and settle the matter. Specialists explain that a pure and simple price freeze can only be temporarily effective in order to deal with specific instances of unrest.

And where are we now? Every Belgian who does his own shopping knows that since last summer, new taxes have placed a considerable burden on household costs. But at the Ministry of Economic Affairs they are explicit: Taxes that have been in effect since July have not altered the course of inflation by as much as 1 percent. Now in 3 months time prices have risen by 3 percent. What accounts for the difference between these two figures is the rise in the value of the dollar, reflected in the prices of imported raw materials, and, oddly enough, of oil.

The fault of the dollar? In support of this explanation we might bring up the ups and downs of our neighbors, prisoners like ourselves of the rate of exchange for greenbacks. In August the inflation rate exceeded 7 percent in Germany, came close to 8 percent in the Netherlands and rose to 6.8 percent even in prudent Switzerland.

But this does not explain everything. And it is not necessarily calculated to reassure Belgians, whose pocketbooks will in the months to come be subjected to a severe strain. Naturally, in the event of a price boom a government of "current affairs" can adopt emergency measures. But the "real" price policy, the one aimed at imports, transparency of costs and an intermediate term, is once again paralyzed. With regard to prices, as in other matters, we are walking a tightrope.

Bread on the Rise

The price of bread will go up on Thursday: 2,50 francs for the large household loaf (1 kg), the fancy loaf (900 grams) and the enriched loaf (800 grams), and 2 francs for the same categories of bread, but in 500, 450 and 400-gram loaves, as well as for the 600-gram loaf of enriched bread.

11,466

CSO: 3100/35

PRIME MINISTER OPENS FOLKETING WITH ADDRESS ON JOBS PROGRAM

Copenhagen BERLINGSKE TIDENDE in Danish 7 Oct 81 p 7

[Article by Lisbeth Knudsen: "Anker Jorgensen Sets the Stage For A Job Action Program For Employment, For Several Years to Come"]

[Text] A new action program for the next several years with the aim of increasing employment in the private sector was the main message of Anker Jorgensen's opening speech at the Folketing yesterday. The program goes many counts beyond the political policy agreement with the Radical Liberal Party, Center Democrats and the Christian People's Party. Instead, the intentions expressed in the prime minister's speech closely correspond to the work being undertaken in a joint committee of the government and the Danish Federation of Trade Unions.

The primary aim in a strengthened effort, to cover several years, will be to maintain and develop the gained improvements in the competitive capacity so that new work places will be created in the manufacturing industries.

The leading element in such a policy must therefore necessarily cover distinct improvements in the financial terms, primarily through supply of capital at considerably lower interest. The government therefore plans to submit a proposal for coherent finance reform for investments in both the trades and industries, agriculture and construction, as well as in the other manufacturing industries.

"The administration feels that issue of indexed loans should undergo such a reform," said the prime minister in his speech. He avoided mentioning the disagreement between the administration and the compromise parties about the arrangement of the finance reform.

"A development of the production capacity and economic support in our society will, in the long run, be required so that the savings derived by giving tax breaks to certain funds can be converted into real buying power for future pensioners. The investments by insurance companies and pension funds in new work places will, according to the administration's understanding, be the best guarantee against inflation for future pensioners. The administration is therefore studying how it can best be secured that the intermediaries of pension funds and insurance companies can, to a reasonable extent, contribute to the financing of new work places through the new finance reform," stated the prime minister.

Other parts of the prime minister's program for the next several years dealt with public investing in selected projects that would promote employment and save foreign currency, uphold the standard of living of general income but continue implementation of the excise tax tightening by 2 billion kroner. He pointed out the various taxes levied on industries, the job creation program, a better distribution of the existing work hours and, finally, the distribution of surplus, "It is the administration's understanding that a developed job action program to extend over several years requires unity and balance in an all-out effort. Part of this unity is, therefore, that a reform of the pertinent surplus distribution be started," he said in his opening speech.

Regarding political cooperation the prime minister said: "The administration's point of departure is to build further on cooperation that has been established between the Social Democrats, the Radical Liberal Party, the Christian People's Party and the Center Democrats. But the government invites all parties, all sections of the work market and all industrial organizations to cooperate for a strengthened effort for employment."

9583

CSO: 3106/7

PAPER CRITICIZES PRIME MINISTER'S JOB PROGRAM PROPOSAL

Copenhagen BERLINGSKE TIDENDE in Danish 8 Oct 81 p 10

[Editorial: "Economic Castles in the Air"]

[Text] In his opening speech in the Folketing on Tuesday, the prime minister made much of the administration's overall intentions in the economic and political sector. Much is being done, he declared, and he stated, among other things, that the main corner stone in the administration's efforts had been to maintain and develop the improvement of competitive capacity by 15 percent, which was reached in 1980-81. In connection with that he further pointed out that the parties in the labor market negotiated a settlement this spring which—in Anker Jorgensen's words—is to a great extent characterized by the consciousness of the country's economic possibilities.

However, the fact remains that a considerable part of the improvement of competitive capacity is the result of a development in the foreign exchange circumstances in 1980-81 in which the administration had no input whatsoever. Furthermore, it is doubtful how lasting this improvement will turn out to be.

In addition to this, it might have been expected that the prime minister had read, among others, the 6-month economic overview which was just being made public by the Economic Secretariat under the auspices of the Ministry of Economics. In there it is stated that there is talk about transition from "a very moderate wage development through 1980 to an increasing upward trend through 1981 and 1982." While the hourly rate for a trade union member rose by approximately 9 percent during 1980, the rise during 1981 was estimated at 10.5 percent; and in 1982 the rise is forecast at 12.5 percent, to which will be added an increase of various employer contributions corresponding to a half a percent wage increase.

The question is what happened to "the consciousness of the country's economic possibilities" based on this background? It is of no consequence for the businesses that will have to pay the higher wages that the acceleration of the wage increase tempo is to a great extent to be blamed on the installment payments cost-of-living. When the agreement results in the spring were being praised, it was really being maintained that the wage increase would be reduced to well under 10 percent.

But when now in 1982 the Secretariat is talking about a "massive" cost-of-living installment payment—four in all, each one increasing by 90 ore per hour--then the

prime minister, who has expressed wishes to improve the competitive capacity and the employment in the private manufacturing industries, should have had a few words to say about that and a proposal to submit in that respect.

But not one word came from Prime Minister Jorgensen who instead proceeded to talk about economic castles in the air about so-called job creating projects, shorter work hours, the economic democracy scheme and the artificial capital intervention arrangements.

9583

CS0: 3106/7

FINANCE MINISTER OFFERS REPORT OF CAUTIOUS OPTIMISM

Copenhagen BERLINGSKE TIDENDE in Danish 6 Oct 81 p 5

[Article by Lisbeth Knudsen]

[Text] "The government and its economists are touching up the prospects for Danish economic conditions with unrealistic assumptions and forecasts on the months ahead." That was the opposition's reaction in Folketing to the economic report presented by Economic Affairs Minister Ivar Norgaard yesterday prior to the opening debate in Folketing on Thursday.

Ivar Norgaard said the report from the economic secretariat of the Economic Affairs Ministry gave rise for moderate optimism with regard to an international upturn in 1982, a 4 percent increase in the Gross National Product and improved employment opportunities.

The economists' report is worded very cautiously. Some of the assumptions concerning developments abroad are stability in the exchange rate of the dollar, a calm development in raw material prices and a gradually declining interest level, especially in the United States. If these assumptions are not borne out the anticipated upturn will be in danger, the economists say.

The economists estimate that developments abroad will affect Denmark and that increased private consumption against the background of a slight increase in real income will have a positive effect. The government economists are also counting on sizable investments in the oil and gas sector. An increase in housing investments is expected and an upswing in business investments is also expected after a sharp decline this year.

Government economists expect almost unchanged unemployment levels in 1982 compared to this year and that means around 250,000 people out of work. There will be an employment increase of 30,000 in 1982--first and foremost in the public sector--but at the same time there will be a sizable increase in the number of those seeking jobs. Only if this influx is smaller than economists currently predict will there be an immediate improvement in the employment situation.

The balance of payments deficit will rise in 1982 to 16 billion kroner compared to an estimated 14 billion in 1981. The increased balance of payments deficit is due primarily to the sizable investments in the oil and gas sector in 1982.

Economic Affairs Minister Ivar Norgaard said yesterday that the government feels it can live with this rise in the deficit in 1982 even though it goes against the government's declared goal of eliminating the balance of payments deficit sometime in the 1980's.

Conservative political spokesman Palle Simonsen said in a comment on the report that there is nothing optimistic in it. "There is no indication of an improvement in employment and the balance of payments and the only thing taking care of jobs will be increased employment in the public sector. But there is no sign of real expansion of investments in the public sector."

Uffe Ellemann-Jensen, Liberal political spokesman, said that the only bright points in the report are based on very meager hopes that the international economy in Denmark's immediate vicinity is starting to thaw up.

6578

CSO: 3106/5

BUDGET MINISTRY ECONOMISTS ISSUE LONG-RANGE FORECAST

Copenhagen INFORMATION in Danish 29 Sep 81 p 5

[Article by Henrik Heie: "Budget Ministry Economists: Substantially Better Economy in 1993"]

[Text] Conditions being growth abroad, energy prices and productivity.

If the conditions that the Budget Ministry economists use to base the so-called "middle course" of the Danish economy are maintained, we can foresee substantial improvements by the mid-eighties. By 1993 we should have succeeded in reducing the foreign debt considerably, have full employment and considerable increase in real wages.

But the economists have also calculated two alternative paths, "low growth course" and "high growth path" if the basic conditions on which this is based turn out to be relatively more and more unfavorable than in the middle course. The most crucial factor will be the size of international economic growth; how much energy prices will rise in relation to prices of industrial goods along with how rapidly labor productivity will rise, particularly in relation to the size of investments and technological development.

External Conditions

The middle course is decided by an annual growth in the real GNP of the OECD countries, which is expected to rise from 1 percent in 1980-81 to cover 2-2.5 percent until 1985 and to 3 percent in 1986-93.

An average for 1981-93 is a little over 2.5 percent which is half of the growth of the sixties but almost the same as the average for the seven slump years 1974-81.

In the low growth alternative the growth is set at 1-1.5 percent lower per year and in the high growth alternative 1-1.5 percent higher than in the middle course.

The energy prices will presumably rise 6 percent more than the prices of industrial goods during the low growth alternative; 4 percent during the middle course and only 2 percent during the high growth alternative.

Finally, it is presupposed that the work productivity in the private sector will rise the least during the low growth alternative and most during the high growth alternative. Compared with GNP and employment, productivity rises 2 percent per year during the middle course; 1 percent less during the low growth alternative and 2 percent more during the high growth alternative.

Less Foreign Debt and Unemployment

Added up, these differences in these assumptions will have a great impact on the situation in 12 years. Foreign debt, which will be reduced to 7.5 percent of the GNP during the middle course as opposed to 26.7 percent in 1981, will only have dropped to 19.9 percent during the low growth alternative but will have almost disappeared during the high growth alternative (0.3 percent).

Unemployment, which was 7 percent in 1980, will go down to 2 percent during the middle course in 1993, and further down to 1.4 percent during the high growth alternative which can be compared to the low figures of the sixties.

However, during the low growth alternative, unemployment will have risen further, to 8.9 percent in 1993, which corresponds to well over 260,000 unemployed. (None of the figures include the growing number of pensioners.)

The disposable real income for the average wage earner will almost not rise at all during the low growth alternative--only by 0.4 percent per year--while the wages will rise by 1.2 percent during the middle course and 2.0 percent during the high growth alternative.

The calculation examples, as the economists themselves label them, are of course, also based on whatever economic policy is being pursued. During the middle course, it is assumed that the same economic policy will continue into the mid-eighties, i.e., real disposable income, cutting back the private and public consumption from what it is now--the so-called policy of improved competitiveness. When the balance of payments is thus sufficiently improved, there will be room for the possibilities of gradual rise in consumption for the individual wage earner.

During the low growth alternative, the tight economic policy will be firm during the whole period for the sake of balance of payments. During the high growth alternative, the real wages will, on the contrary, be able to grow quite drastically; but if the goal of repaying all the foreign debt is to be reached, the finance policy will gradually be tightened in order to curb the rise in private consumption.

The final result for the average wage earner would be, according to the calculations, that the consumption possibilities in 1993, during the three types of progress alternatives, will be respectively 5 percent, 20 percent and 30 percent greater than during 1973-74 (which the economists use as comparison, although real wages peaked later).

In all three progress alternatives, the Ministry of Budget has calculated that the average work hours will be lowered by 1 percent per year.

North Sea Oil

Furthermore, it is assumed that the North Sea oil and gas will play a considerable role as a source of foreign currency income. It is assumed that from 1985 the net income from these sources will amount to 1.6 percent annually of the GNP which will be a direct improvement of the current amount of the balance of payments.

This estimate can be upset, however, if an increased investigation is launched, which in the first round will reduce the net foreign exchange profit but later would increase the profit.

More Government Employees

Even though the main aim of the economic policy in the eighties is to bring resources from the domestic industries and the state over to the balance of payments industries, the government's share of the wage earners' volume nonetheless grows from 27 percent in 1980 to 30 percent or more in 1993.

The reason for this will mainly be that there exists the presupposition for a very strong increase in productivity, particularly during the high growth alternative.

Public consumption will be at 60 percent above the 1973/74 level in 1993; and even 80 percent above during the high growth alternative, which can be compared with the above-mentioned lower rise in real wages.

The total private consumption will, however, in relation to today until 1993, rise more than public consumption, except during the low growth alternative.

9583

CSO: 3106/7

STATISTICS OFFICE SEES INCREASE IN EXPORT COMPETITIVENESS

Copenhagen MANEDS BORSE in Danish Oct 81 p 21

[Article: "Export: Market Profits Regained"]

[Text] Despite the slackening in the international economic activity, exports still remain at a surprisingly high level. The latest figure from the Danish Statistical Office shows that exports rose by almost 2 percent real during the first half of the year. The export of animal products and industrial products rose by 7 percent and 2 percent respectively. Included in industrial exports is an increase in the sales of intermediate products and consumer goods amounting to 3 percent, while the sale of investment goods dropped by almost 2 percent.

On the face of it, this development seems to confirm that Danish industrial life, is now in full swing of regaining the market advantages that existed in the seventies. This is, however, not the case. This development is more a sign of the fact that the skyrocketing dollar has helped the Danish economy gain a foothold in a series of new, and up to now unexplored, markets. The reason for this is that the whole export increase is concentrated on countries outside Europe, that is to say, in areas where the dollar is the totally dominant trade currency. The dollar's sky high rate has strengthened the competitiveness of Danish industries in these markets and the industries have now understood how to make use of the situation. Figured in kroner and orer, the export to the underdeveloped countries rose well over 50 percent during the first half year. The USA took about 40 percent more; Canada 45 percent more and export to Japan was more than doubled. This impressive growth is, however, primarily due to the high exchange rate of the dollar. Within the last year, the dollar has gained 35 percent against the kroner, so the quantitative export increase to countries outside Europe has barely risen above 10 percent.

On the other hand, sales in our traditional markets were not as good. The EC countries and the rest in EFTA, that is to say, primarily Finland, Norway and Sweden, took about 70 percent of our total export. It is here that we are preserving our foothold. During the first half year the real export to the EC countries dropped by approximately 4 percent, and in general remained at the same level to the EFTA countries.

The import reflects clearly the slowdown in the domestic demand. In total, we imported 12 percent fewer goods during the first half year. With the exception of raw materials for agriculture, there was a drop in all other types of goods.

The troubles of the auto industry are reflected in a real drop of 33 percent in the import of transport equipment; the troubles of the construction business are reflected in a drop of 22 percent in construction material. The import of investment goods was 20 percent lower and oil imports were reduced 13 percent due to high energy prices. The import of consumer goods dropped by 7 percent.

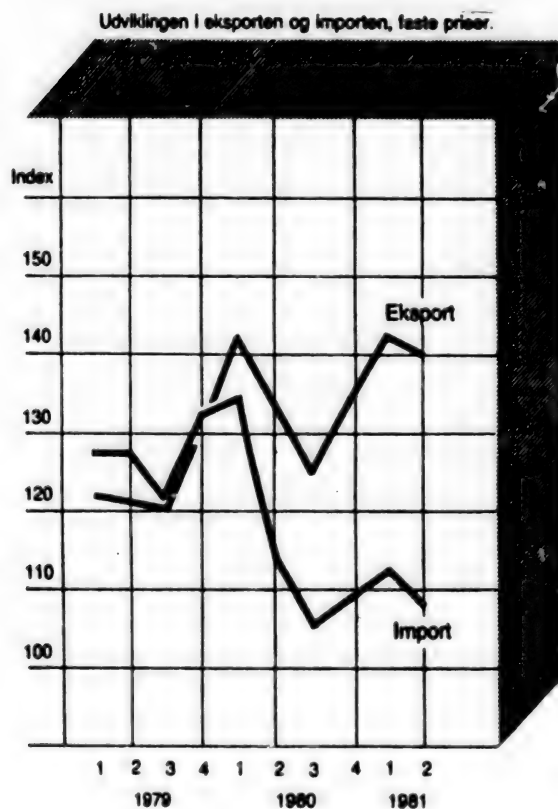
Figured in kroner and orer, we imported goods worth 60.9 billion kroner during the first 6 months of the year, as opposed to 57.1 billion kroner during the same period the year before. The export amounted to 55.8 billion kroner as opposed to 47.3 billion kroner in 1980. The deficit in the balance of trade amounted to 5.1 billion kroner.

There are many indications, however, that the favorable development in the trade figures will hardly continue throughout the year. The drop in imports was especially great during the first half year as a result of a general cut in industrial stocks.

Rebuilding of the stocks in connection with an upswing, although weak, in domestic demand, will again increase the import need.

In the short run, the export prospects are not bright. The economic situation continues to be very weak in our traditional markets, and although a lesser upswing in 1983 is forecast, it will hardly be felt in our export possibilities until very late in the economic upswing. A considerable portion of our industrial export is investment goods, that is to say, products that are only in demand when the economic activity reaches a certain level. It is therefore normal that the trade figures become worse during the first phase of an upward swing of economic activity. A total trade deficit of approximately 8 billion kroner during the second half year seems realistic, which amounts to a deficit of well over 13 billion kroner for the year, or 2 billion less than 1980.

Developments in export and import, firm prices.



The export is still at a surprisingly high level. It is primarily sales to the underdeveloped countries and Japan and North-America that is going fantastically well. That is, first and foremost, due to the strong dollar. Trade with the rest of the EFTA countries stagnates while the export to the EC countries drops.

9583

CSO: 3106/7

1982 BUDGET NOW EXPECTED TO SHOW DEFICIT OF 40 BILLION

Copenhagen MANEDS BORSEN in Danish Oct 81 p 22

[Article: "The Budget: Denmark's 1982 Deficit Greater Than Estimated"]

[Text] One reason being that there are calculations for only one cost-of-living allowance until January. More likely that there will be two.

The budget deficit is climbing with record speed and much faster than was originally feared. This year the state will have a deficit of about 30 billion kroner, or 11 billion kroner more than was budgeted. In 1982 the deficit will reach 40 billion kroner. And it should be observed that this is just the deficit of the management proper. If the expenses of the State's bond purchases for the Social Pension Fund is figured in it, as well as the deduction of domestic debts, the State will have a total deficit of 80 billion next year. The gross cash deficit will be approximately 60 billion kroner this year.

The accelerated deficit of the state finances is not a typical Danish phenomenon. All the Western industrial countries are plagued by the same problem. Our deficit is, however, considerably larger than in the other countries. During 1982 the gross deficit of the national purse will correspond to 16-18 percent of the GNP. Only Belgium is in a similar situation. In most of the other OECD countries the deficit is 4-8 percent of the GNP.

In other words, the state has landed in a profit pinch. Income is lagging and expenses continue to skyrocket with no letup. The 11 billion kroner budget excess this year is thus the drop in the budgeted income amounting to 4 billion kroner, along with the fact that the expenses are 7 billion kroner greater than originally calculated.

On the income sheet there are 2.8 billion kroner less in personal and corporation taxes than was budgeted, and despite (or perhaps because of) the excise tax increases, the direct taxes and excise taxes yield 1.4 billion kroner less than was expected. It is especially the income from the value added tax, registration fees and the tax on gasoline that has failed.

On the expense sheet, it is mainly the accelerated unemployment that carries the main responsibility for the budget excess. The expenses for unemployment compensation jumps this year to almost 16 billion kroner or 2 billion kroner more than

originally budgeted. To this is added an extra 400 million kroner for the pension system, which, according to the minister of labor, has become an unexpected success. Incidentally, the success costs almost 5 billion kroner a year.

Of other unforeseen expenses, 500 million kroner to support the troubled agriculture may be mentioned, 400 million kroner extra for pensioners, 600 million kroner to the Steel Rolling Mill and finally 700 million kroner extra to employees.

In other words, the state's operational deficit will be 40 billion kroner in 1982 or 10 billion kroner greater than this year. The reason for this is first and foremost that the interest expenses of the state increase by 6 billion kroner, or to 20 billion kroner. The total national debt is close to 120 billion kroner.

Finally, the agreements in the spring gave the civil servants a greater salary increase than the employees in the private sector. That means that compared with the previous years, the salary expenses of the state now increase more rapidly than the income from the tax revenue.

Much indicates, however, that the state operational deficit will be somewhat greater in 1982 than budgeted in the finance bill. In the first place, the tax increases of 2 billion kroner that were decided during the May settlement are calculated into the Finance Bill. Secondly, the Finance Bill presupposes that the cost-of-living index figure for January will only release one cost-of-living allowance, although everything indicates that the cost-of-living index will release two.

1 Statens drifts-, anlægs- og udlånsbudget				
2 Mia. kr. Årets priser og lønninger	1980		1981	
	16 R	17 FL	18 Skæb juni	19 FFL 20
3 Statens andel af kildeskat m.v.	40,9	48,7	46,3	53,4
4 Afgifter	63,3	70,6	69,3	76,0
5 Selskabskat, renter m.v.	14,6	15,3	15,6	18,0
6 Renter af statsgæld	- 9,5	-13,7	-13,9	-19,9
7 Nettobidrag til EF	- 2,6	- 2,9	- 2,9	- 3,1
8 Indtægter i alt	106,7	118,1	114,3	124,4
9 Arbejdsløshedsdagpenge	11,0	13,1	15,2	16,7
10 Generelle tilskud	19,5	22,3	22,4	25,6
11 Øvrige nemoudgifter	94,1	103,6	106,6	121,9
12 Udgifter i alt	124,6	139,2	146,2	164,3
13 BAU-underskud	17,9	21,1	31,9	39,9
14 Bruttokasseunderskud	49,1	52,2	61,8	78,4
15 Nettokasseunderskud	30,3	28,0	37,8	48,0

Key:

1. State budget for operation, investment and lending
2. Billion kroner; year's prices and wages
3. State profit from withholding tax
4. Fees
5. Corporation taxes, interests
6. Interest of state debt

[Key continued on following page]

7. Net Contribution to EC
8. Total Income
9. Unemployment Funds
10. General subsidies
11. Other net expenses
12. Total Expenses
13. DAU-deficit
14. Gross Cash Deficit
15. Net Cash Deficit
16. Expenditures made
17. Expenditures to Date
18. Estimate
19. June
20. Appropriated
21. The deficit of the state finances will be at a record high in 1982

9583

CSO: 3106/7

BRIEFS

EXPECTED BUDGET DEFICIT INCREASES--The estimate for the 1982 budget deficit is increasing at a steady rate even before the Folketing has passed the new budget. When the budget proposal was prepared this spring, it was assumed in the Ministry of Finance that there would be a deficit in the investment budget; the operation budget and lending budget amounting to 39.3 billion kroner total. Yesterday, the minister of finance delivered a budget review to the Folketing where it states that the deficit estimate must be revised to 41.4 billion kroner. The reason for this is, among other things, a rise in unemployment. Also, with respect to the deficit this year, the Ministry of Finance had to make a revised estimate. When the finance budget was submitted this year, it was assumed that the deficit would be 16.3 billion kroner. The current estimate is, however, 33.1 billion kroner. The gross cash deficit will be 63 billion kroner according to the most recent estimate from the Ministry of Finance. The Liberal Party has--on the basis of the new estimate for the finance budget this year and the changed estimate for next year--decided to demand an independent debate on the budget proposal for 1982 after the opening debate today. Normally, no one speaks during the first reading of the budget proposal after a long opening debate. "The Liberal Party cannot follow the usual procedure that the finance budget be only treated as a side issue during the opening debate where everything else is taken up," says Bertel Haarder who is the spokesman for the Liberal Party's finance committee. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 8 Oct 81 p 12] 9583

CSO: 3106/7

ANOTHER LOOK AT MITTERRAND'S NEW INDUSTRIAL CONTRACT'

Paris L'USINE NOUVELLE in French 1 Oct 81 pp 60-61

/Article by Rene Le Moal/

/Text/ By devoting the first part of his press conference to industry, Francois Mitterrand wanted to show the importance he attaches to it. Reconquest of the domestic market, a boost to investment: what private industry has not done, according to him, the government is going to attempt, with the help of the large nationalized firms, as well as small and medium-sized businesses.

A solution to unemployment is being sought through a boost in economic activities which, in the current crisis situation, only the government can provide. It has already made its first move (on consumption) by injecting 17 billion into the economy since 21 May. But it's not enough.

So the time has come for another boost--this time to investment, and not just any investment. But here are the facts: private French capitalism has failed in its task on this point (quantitatively and qualitatively), and there is little hope that it will recover. Thus the government has to take over, at least in those sectors where France must maintain a presence and its independence, or whenever a "monopoly" becomes dangerous. Hence the need to proceed with nationalizations, which could be extended after another national election and which in no way precludes direct intervention by the government in this industry or that.

Private enterprise and the traditional capitalist initiative have by no means been laid under an interdict, but they are now preferably confined to small and medium-sized businesses, which have been made sacred again, as a counterbalance. These businesses, spared the more advanced socialist experiments and excessive costs, (like in Japan), will not suffer from a lack of official verbal solicitude, either financial or administrative, since it is felt that they have enormous potential for creating jobs and products. Yet they will have to work for the general interest, according to the Plan, and as determined by the Treasury if owners reinvest a share (to be determined) of their income, instead of "pocketing it" and "making themselves rich."

A Strict Concern for Efficiency

This is the reasoning behind government action from now on. It relates to a certain idea the president of the Republic has of modern society, but also to a strict concern for efficiency. It further relates to a certain French tradition, which explains

the rather weak reactions on the part of the public to what is the beginning of an important turning point, to say the least. "Nationalization works in France," Francois Mitterrand has said. This is not always the case elsewhere. It will work that much better when, thanks to full control of credit, managers will be relieved of the worry of finding money and, secondarily, of making a profit--which would only be transferred to the government.

If there is any break--although Francois Mitterrand did not mention the word socialism--it is in these two concepts that it would lie. In the idea of a division of labor between big business, which the government felt compelled--morally and by necessity--to take over, and small business, left to the people provided they agree to give up profits and the idea of becoming too big. And it also lies in the solidarity contract that links the entrepreneur--all entrepreneurs--to the government, to the nation, and to the president of the Republic, as the three are inseparable, "at least for 5 years." Of course, everybody in France was aware of the fact that the attentive assistance of the ministries was both a requirement and a sign of success for the large companies, whose shareholders, if they had the misfortune to be numerous, were really consulted only at the time of capital increases. As for the heads of these companies, it never occurred to them that they were not working for their country. All of that was not official, however: now it is, and it is even in a doctrine, in a contract with strict rules clearly spelled out.

The contents of the contract are also quite clear: they indicate as a top priority the reconquest of the domestic market, on which French goods have lost 5 to 6 percent in the past 5 years. The previous government did not really believe in this possibility, although it considered it to be economically desirable. Now it is receiving the supreme patriotic guarantee. Motorbikes must again be manufactured. But the reconquest also becomes the conquest, since we are now supposed to pit ourselves against the most powerful in areas we have never before entered, such as microprocessors.

All those who watched with distress as French industry gradually lost jobs, factories, products and GNP points will be delighted with the emphasis solemnly placed on industrial development, quite rightly judged indispensable for a balanced society. For the president of the Republic, who was reputed to be ill at ease, began his press conference with this subject, after all. The supremacy given to industry over the tertiary sector--a dangerous craze of some previous advisors--was also noted. We can also be pleased that Francois Mitterrand assumed a relatively strong growth, following the objective possibilities as assessed by international observatories. Changes of this sort, at such a high level, are full of significance, and we wait with interest to see what will happen.

An Overall Industrial Plan Now Urgent

The "new industrial contract" may initially be warmly welcomed by at least some of those who will be implementing it. Industry is industry, business is business, neither right nor left, and the only real question is whether the time is right for them to develop rationally, harmoniously and efficiently, given their goals. But this is precisely where questions may arise...

The nationalized groups do not in and of themselves make up the hard knot needed for a "third industrial revolution." And there are still some large private companies left in France--whose heads must be concerned about a small comment by Francois

Mitterrand that "the billions which are trying to shelter a hundred" among them. So it is urgent to have an overall industrial project that both defines and distributes strategic activities, but that also reorganizes the relationship between research and industry, for instance. And there is the need for a "charter of rights and obligations" of national companies vis-a-vis the government and vis-a-vis all those affected by them (let's not forget subcontractors!). Renault has become such a myth in this regard that it is important to know whether it is a model or an actual case: the choice, if it is to be realistic and useful, requires a questioning of accepted ideas and will therefore not be as easy as one might think.

The employment problem will be one of the items in this charter. Rhone-Poulenc, like the steel industry, still has too many employees and lay-offs are planned. Is this fact consistent with that of being "the show-case sector for new society relations," which it seems now is not even the case with Renault, according to the CGT [General Confederation of Labor]--or at least not in Sandouville. Thus a "pact between the legislature" and the labor unions is needed, but it is easy to imagine the difficulties in implementing it and its political impact.

Who is going to take over for these dazed and victimized employers at the highest levels? Will they call on the traditional technocratic and elitist groups (polytechnicians and inspecteurs des Finances*), or will they leave a place for those who more simply have "something special to offer," as Francois Mitterrand said? The answer will determine the degree to which these companies become part of the civil service, and thus will affect how dynamic they are. It is awaited impatiently by engineers, technicians or managers from less prestigious schools, whose training, jobs, status and career will, it is assumed, be considered together to some degree.

How will the expropriated shareholders be replaced? The government, with 100 percent participation here and 51 percent there, and indirect participation elsewhere--more than ever an inventory of all its holdings and possessions is going to be needed to know the regime we're living under--will, it is hoped, know what it has to do to prevent the fiefdoms that it knocked down from cropping up again. The relationship between private savings and industry, however--a partial success of Rene Monory, a gloomy failure of his predecessors, and the *idée-force* of Mr. Delors--has still only been the subject of a few confusing declarations of principle. Today less than yesterday industry will not be rebuilt with Sicav [variable-capital investment companies]. And tomorrow, what good will the Stock Exchange be? Francois Mitterrand's projects require enormous sums of money: where and how will they be found without conditions?

What is the logic behind the large projects that are named as desirable? The tunnel under the English Channel (100,000 jobs), the west or north TGV [high-speed trains], the universal exhibit (300,000 jobs) have been more or less made official, whereas the Rhine-Rhone canal and the modernization of our ports, to name only two, are not mentioned in the speeches. The "Caullian" epithet, bandied about extensively by part of the press, tends to cast our industrial heritage--at least in contrast with this period--into oblivion, which is all the more surprising since at this very moment La Villette is being destroyed and people are wondering whether Concorde...

*Graduates of two prestigious French schools

We can find a Japanese inspiration--albeit perhaps unconscious--behind these steps. Even the famous consensus is not missing, translated in French by the term solidarity. But in Japan, the private appearance of firms is maintained, and the opportunity for competition is sacred, just as is the devotion of workers and their unions to the company. The struggle for foreign markets is especially considered as essential. Francois Mitterrand, who did not speak about that, never once mentioned the word competitiveness. He rejects the international division of labor and does not want French groups to be "internationalized." Will this nationalism lead to a new foreign investment policy or indeed to protectionism? Is it consistent with our means, our commitments, our need to conclude alliances and invest abroad?

"I live at the Elysee, in a gentle society of just people" (Virgil, "The Aeneid," book V), said Anchises as he appeared in a dream to his son, Aeneas, who had stopped in Sicily. He still had to undergo many trials before reaching Rome. Although it was attractive in its initial premise--social growth through industrial development--Mitterrand's economic policy is still just a rough sketch that has yet to be given a shape and that could create a storm when implemented. And it is disappointing for its backers, because of the obstinacy of economic and human, national and international realities. It is hard to see how he is going to get rid of inflation, as discrete but also as strong as the wife of Sultan. Probably destined more to another century (he himself said so), he might, if he lasts, only find his builders beyond the current generation of administrators, because of the fictional look of his economy. These are the people needed to prevent, in the words of Francois Mitterrand himself, "a divorce between business and the Socialist government."

9805

CSO: 3100/25

INDUSTRY MINISTER DREYFUS INTERVIEWED ON NATIONALIZATIONS

Paris LE POINT in French 5 Oct 81 pp 68-69

[Interview with Pierre Dreyfus, minister of industry, by Jean-Pierre Adine and Martine Leventer; date and place not specified]

[Text] He is said to be a moderate and therefore reassuring. "Me a moderate? But I am an enthusiast!" is the smiling retort from 73-year-old Pierre Dreyfus, former PDG [president-director general] of the state-owned Renault firm and now the new minister of industry. It is also said that he has now been converted to the dogmas of the new government. In any case, here he is in charge of a difficult task: that of carrying out the nationalization of 12 groups of firms and organizing a new industrial policy.

As one sees him looking so frail in his gilded armchair and listens to him dream about 12 repetitions of the Renault miracle, one begins to doubt his chances of success. But perhaps as a result of his charm or his conviction, he has apparently managed to get a number of his ideas accepted by the government. Here he explains those ideas--for the first time--to Jean-Pierre Adine and Martine Leventer.

LE POINT: You are the minister of "nationalizable firms." But you have been keeping quiet since you took over. Why?

Pierre Dreyfus: I have never talked much in my whole life. I like to do things and then talk about them.

Question: Everyone is still asking this question: what is the purpose of all these nationalizations?

Answer: In my opinion, a nationalized firm must be a pilot--a pole of development or a trainer. As it develops, it must try to pull a number of other firms in its wake. Let us take the example of Renault: back in 1955, Renault began planning its expansion and informed a great many of its suppliers of its plans so that they could keep up. So it tried not only to make money itself, but also to contribute to the general growth of the economy. In doing so, it took risks that often went beyond those that would be taken when managing a private company's assets. It had government support, of course.

Allowing for the time it takes to do that, and along with a little luck and a lot of know-how, the big nationalized firms will also be able to become poles for stimulating the French economy.

Question: But wasn't that already the case?

Answer: No. Some of those groups were managed "in the French style"--with too much attention to hanging on to what they had. And that, incidentally, is true of a great many French firms and banks.

Question: As you have just said, the nationalizable firms will require a great deal of know-how. That brings up the question of competent people. Where will you find them?

Answer: The main role of a boss is to know how to select his team and raise his firm's general level of competence. It will be necessary to find men who know how to do that, since it is the Council of Ministers that will be responsible for naming the top managers in the nationalized groups. It is not easy--not easy at all, I admit that. That is why I don't want to be rushed; I need to be given time.

Question: On the contrary, isn't it necessary to speed things up once again?

Answer: In any case, I will have a respite, since managing directors will be appointed after nationalization takes place. That is a way of preventing the intermediate period from being one in which things just drift.

That being said, I am not saying that I am going to succeed everywhere. But my job during my 20 years at Renault consisted basically of selecting men and then pushing them. That's what I will continue to do.

Question: And once those men are appointed, how will you protect their autonomy with respect to the government?

Answer: I think I have thoroughly convinced Francois Mitterrand and Pierre Mauroy that the state-owned firms must be given the freedom to succeed. I told them: "An industrial firm must be able to act freely; you appoint the man responsible and meet with him throughout the year. His activities are carried on within a general framework, but management is his business. When you find that he is slipping, you cut off his head."

This presupposes that those appointed have a taste for independence and risk taking.

Question: But aren't you going to take advantage of the nationalizations to impose restructuring on the firms?

Answer: Several of the firms are having problems that they would prefer to solve with other firms. The nationalizations will enable them to join together in considering more worthwhile strategies. But I felt that it was entirely premature on my part to question them on that point. I simply asked the top men in those groups what their objectives were for the coming years within the framework of several scenarios. That will be our starting point for discussion. But the initiative must come from

them. You know, a merger is not really successful unless people are convinced of the need for it.

Question: You also have the job of designing a new industrial policy. What will it be like?

Answer: Its basic objectives will be the fight against unemployment, the competitiveness of the firms, and the reconquest of the domestic market. No sector or interrelated group will be regarded as secondary. It is necessary to encourage creativity, innovation, and initiative wherever they exist. Incidentally, the government has adopted general measures on behalf of small and medium-sized industry. In particular, it has provided for regional aid to enable them to solve their problems with capital.

Question: But are there priorities?

Answer: The major sectors being closely examined at present are those in the area of high technology, where France's presence is indispensable (electronic components, data processing, telecommunications, space, chemicals, machine tools, project study and development, and so on); those in which French industry is competitive but needs to be strengthened (automobiles, electrical engineering, mechanical engineering, and materials); and lastly, those where winning back the domestic market requires a thorough change in strategy (furniture, toys, textiles, and electronics for the mass market).

Question: What a huge program! That is like saying that everything is a priority.

Answer: I will let you in on something: as soon as we announce that we are going to concentrate on a particular industry, there is a general wait-and-see attitude on the part of both the company heads and their bankers. The only way to avoid that attitude is to say that we are going to intervene everywhere!

Question: Are you going to create "plans," at any rate?

Answer: If you are expecting me to say that the government is going to give such and such an industry so much money over so many years under certain conditions, you will be disappointed. What we are trying to do is to bring together voluntarily a certain number of economic agents to see what they can do together. We will have action programs more than plans.

Question: What does that mean?

Answer: We will seek the advice of many people: company heads, unions, researchers, technicians, and so on. But not in the form of a roundtable! We don't want each individual to feel compelled to play a role. In fact, we will see which initiatives are interesting. We will help them. But we will keep tabs on how government credits are being utilized. That is an innovation.

Question: When it gets right down to it, aren't your action programs very close to the sectoral plans of the previous governments?

Answer: No. The sectoral concept has obvious limits. There is industrial solidarity, meaning that there are important ties between the one who manufactures a product and the one who makes the machine used to manufacture it. In electronics, for example, there has been an obsession so far with the product--the "gadget." Today we know that the real problem lies in designing and manufacturing that gadget. Much of our competitiveness will therefore depend on the machinery used to manufacture electronic components. If we continue to buy it abroad, we are in danger of always being one war behind.

In short, our action programs will be centered more on interrelated groups than on specific sectors. And of course, they will vary considerably from one field to the next. Because international constraints, the speed of technological change, and the availability of men vary enormously from industry to industry.

Question: The availability of men?

Answer: Of course. That is a tremendous problem. For example, the textile industry needs to be put back on its feet and given new impetus. At the moment, I can't find anyone to take over. Most company heads have been resisting it for years.

Question: The new government talks constantly about winning back the domestic market. How far will you be able to go?

Answer: It is very obvious that there will always be imports and exports in this country. But we have lost our foothold in a certain number of sectors--and done so dramatically--even though, and this is both maddening and stupid, the domestic market is among the best in the world. Just think of all that could be done with a powerful domestic market: imagine, for example, what leverage social security could provide in dealing with the medical industry.

Question: Yes, provided that we have a "made in France" mentality. How does one go about distilling a little nationalism in France?

Answer: It will require some clever solutions, and that will take some time. Look at what we have just decided to do in the furniture industry: there is an agreement for the voluntary limitation of imports that was signed by both the manufacturers and the distributors. In time, we hope to see it result in foreign exchange savings equivalent to a good 1 billion francs. Then it will be the turn of leather goods, footwear, and textiles.

It will also be necessary to combat a pernicious view of things that is very widespread among us. People have convinced themselves that German products are sturdier, Italian products are prettier, and Japanese products are more clever. But what does that leave for us?

Question: And what will our European partners think about all that?

Answer: We have made no secret of it: we have to play for time. We have told them so and we will tell them again.

11798

CSO: 3100/37

BANK OF GREECE FOOD BALANCE REPORT PUBLISHED

Athens BUSINESS & FINANCE in English No 160, 19 Sep 81 p 19

[Text]

The Statistical Bulletin of the Bank of Greece gives the information on the Greek food balance (imports and exports), as is shown in the table.

The Greek food balance over the last few years has hardly been positive, unless tobacco is taken into account. This is not a drawback in itself, as tobacco is non-edible, but it is an agricultural product of great value. Even following the post-war shift of tastes towards the Virginia brands and blends, Greek tobacco exports did not suffer substantial losses, and in 1980, accounted for over 20% of the total of Greek food exports.

For a good many years then, the external balance of agricultural products has been positive, thanks to the post-war innovations in agriculture — new methods, the extensive use of fertilisers, and the cultivation of new varieties.

1979 was the first year in which there was a deficit in the food balance (including tobacco.) It was only of insignificant size, in the order of 3% of the imports. In 1980, the deficit more than doubled, and an even larger deficit is anticipated for 1981. If nothing changes, this tendency will in the future produce an ever increasing deficit, with all the undesirable effects of this on Greek agriculture.

This situation reflects severe shortcomings, on the marketing side in particular. The loss of the USSR citrus fruit market to the benefit of Italy is a good example of this.

It has been said that Greek membership of the EC will magically solve the problems of Greek agriculture, and that other Europeans will begin to use Greek olive oil in their cooking, and to eat Greek currants, peaches and oranges. The truth is that Greeks are now drinking German (yes, German!) orange juice.

European agriculture, with its huge surpluses and the use of aggressive marketing methods will easily penetrate the Greek market. Considering the Greek taste for foreign foods, a shift in preference could easily occur.

For us, the problem of Greek agriculture is twofold. On one hand there are the inefficiencies in production, and on the other, there are the out-of-date marketing techniques.

Low productivity and bad planning are the main problems of production, while marketing standards remain unacceptable. Efforts should be concentrated first and foremost on the marketing side, as an almost virgin field guarantees immediate and large returns. Then, the organisation of production, invariably accompanied by large capital placements and the programming and planning of cultivation will definitely raise productivity to acceptable levels.

The whole matter is an urgent one. Indecision and delays may cause irrevocable damage to highly sensitive national resources.

**1980 External Food Balance (in
thousand \$)**

EXPORTS

1. Currants & raisins	159,368
2. Olive oil & olives	95,868
3. Wines and spirits	52,863
4. Fresh fruit	173,359
5. Preserved fruit & vegetables	152,042
6. Fruit juices	88,822
7. Other	254,620
<i>Total</i>	<i>926,942</i>
8. Tobacco	194,511
<i>Grand Total</i>	<i>1,121,453</i>

IMPORTS

1. Basic Foodstuffs	1,029,587
2. Other	169,405
<i>Grand Total</i>	<i>1,198,992</i>

CSO: 4600/67

PAPER HITS THORODDSEN GOVERNMENT'S ECONOMIC POLICIES

Reykjavik MORGUNBLADID in Icelandic 20 Sep 81 p 20

[Editorial: "The Glamorous Image of Gunnar Thoroddsen"]

[Text] The prime minister is an expert in making glamorous images and in making things look different from what they really are. This strategy's weak point has always been the failure to sustain that image for any length of time. Eventually, it collapses and stark reality is revealed. This is what is happening now.

The government has set a political goal of bringing inflation down to 40 percent from 60 percent last year. In order to achieve this over a short period of time, it has been willing to sacrifice much. It has sacrificed the groundwork for state-owned businesses as well as the groundwork for the employment sectors. It has also been willing to worsen the people's living conditions for the same purpose. Everything has been sacrificed so that the government can make the following statement by the end of the year: We have made progress in our battle with inflation; inflation is down to 40 percent. The government will doubtless be able to show this figure by the end of the year. It would not have been able to do that if President Reagan had not come to its aid. That he did indeed, and generously. His economic policy has strengthened the U.S. dollar, which has further enabled the fishing industry to cope with the halt in the devaluation for the major part of the year without having to bring activities to a standstill. However, the flaws in this glamorous image of Gunnar Thoroddsen are beginning to appear.

In the recent past, the public has listened to industry leaders describe their difficult position. The leaders of the SIS [Iceland Cooperative Union], who cannot be accused of animosity towards the present government, have stepped forth and described the emergency situation in which the SIS-operated industry finds itself. The spokesmen of the FII [Federation of Icelandic Industries] have warned all year long about the consequences for industry of the government's economic policy. Once, the People's Alliance policy towards the sectors consisted of reinforcing the "national" modes of employment, i.e., agriculture, fishing and general industry. Now that the People's Alliance controls the Ministry of Industry, industry is faced with enormous difficulties,

whereas the import trade is flourishing. Some time ago, that would have been considered newsworthy!

The industry, which uses European currencies in its exports and competes with the imports paid for with these currencies, is no longer the only one complaining about a poor operating position.

The situation in the fishing industry and in fish processing has become very bad. The freezing plants are running a 6-10 percent deficit. Going by the lower figure, this comes to about a 20 billion new kronur annual deficit. Some of the freezing plants are about to close down, as MORGUNBLADID has indicated for the last couple of days. Decisions about fish prices lie ahead.

Kristjan Ragnarsson, the head of LIU [National Alliance of Fishing Vessel Owners], thinks that fish prices have to be increased 13 percent to make the fishing fleet break even. Fish processing that runs a 6-10 percent deficit cannot withstand a 13 percent rise in fish prices. The position of the fishing industry is such that at least three trawlers lie at anchor in their harbor at the same time as new vessels are being imported. The freezing plants in the Westfjords, which have prospered for many years, are in such bad shape now that they have asked the fisheries minister to join them in discussing the situation. In addition to this, there are new wage negotiations coming up that will inevitably demand some wage boosts. Interesting that this should be happening at the same time as we are having a prosperous year. Our market prices have been high. The position of the U.S. dollar has brought increased income for us, which was not expected at the beginning of the year. Even so, Gunnar Thoroddsen's glamorous image is falling apart. Why?

It is falling apart because the government has not tackled the problems of the employment sectors and the economy. It has kept the employment sectors going by taking cosmetic measures and with sleight of hand, which can work on a temporary basis but not in the long run. It will be interesting to see what cosmetic measures Gunnar Thoroddsen will resort to in order to restore his glamorous image.

8743

CSO: 3111/1

BRIEFS

FOREIGN BORROWING UP--Long-term foreign borrowing by the Treasury and the Development Fund for this year far exceeded previous estimates. For the first 7 months, loans amounted to about 226 million kronur. In comparison, we could mention that 75 million of the anticipated 200 million kronur had already been borrowed at the same time last year. An investment and loan plan for 1981 calls for long-term borrowing of 289 million kronur, which means that most of it, 226 million kronur, has already been borrowed over the first 7 months, as mentioned above. Long-term foreign loans amounted to 5.94 billion kronur by the end of 1980. According to the average exchange rate, this is a little more than 35 percent of the total annual GNP. The ratio was 32-24 percent during the 4 previous years. The investment and loan program for 1981 assumes that this ratio will rise to 36-37 percent, but according to current trend, it can certainly be expected to go a bit higher. In conclusion, we would mention that foreign import loans have increased to some extent recently over previous years. [Text] [Reykjavik MORGUNBLADID in Icelandic 27 Sep 81 p 2] 8743

CSO: 3111/1

SABANCI DISCUSSES ECONOMY, LISTS COMPANY'S GOALS

Istanbul DUNYA in Turkish 31 Aug 81 p 4

[Text] Sakip Sabanci is chairman of the board of directors of the Haci Omer Sabanci Holding Corporation. Recently he said that the primary responsibility of Turkish entrepreneurs will be the "realization of investments that will aim towards the creation of healthy internal and external markets as well as the production of goods that are competitive within a quality and price conscious world market."

In addressing a meeting of general directors of companies affiliated with the corporation, Sakip Sabanci said that in the years to come the emphasis would be placed upon exports and agricultural investments. He continued by saying that "In the past, the fashionable trend towards industrialization as well as the sweet dream of becoming an industrialized nation have caused us to neglect the agricultural sector in our investments." Saying that this situation had now become apparent Sabanci stated the following:

"By 12 September 1980 the 'economic train had derailed.' Those who have been in charge since that date are trying to put the train back on its tracks. If the train is to cover any distance, it is essential for it to be replaced on its tracks."

In addition to this, the older track must be replaced if the train is to run any faster and a new high technology locomotive with lower operating costs must replace the old locomotive. The railway cars must be overhauled and new cars must be added...

But one must not forget that the high priority task as well as the most difficult task is that of replacing the existing train on its tracks.

It is very useful to assess developments since 12 September 1980 in this light. Assessments or interpretations of numbers alone may not reveal a very satisfactory outlook. A little patience is necessary.

New responsibilities confront the Turkish entrepreneur in 1981:

The first stage of our responsibilities involves a rational use of existing production capabilities and the bringing about of healthy as well as plentiful production;

At the second stage of our responsibilities we must face the task of moving towards investments that will enhance quality, lower production costs, overcome bottlenecks and make possible quick increases in production capability through moderate initial costs.

Our primary duty however, is the realization of investments that will aim towards the creation of healthy external and internal markets as well as the production of goods that are competitive within a quality and price conscious world market. Only new investments can bring about the increases in production and supply that we have been yearning for.

The special circumstances of 1981 and the difficulties inherent to a transition stage make it impossible for large new investment projects to receive prompt attention. One must not forget however that social as well as economic factors make it impossible for us to indefinitely postpone new investments.

Those who are in charge in Turkey must take into consideration not only the rising expectations of a population of 45 million, but also the fact that Turkey's population is currently increasing by 1 million each year.

Each morning, 3,000 more people are born and join our table. In the future we will be confronted with the task of providing work opportunity for 3,000 additional people each day.

As someone who has assumed heavy responsibilities within the industrial sector as well as an entrepreneur, I am hopeful for Turkey's future.

I have confidence in the future. After years which in general may be declared as having been wasted, those who have shouldered the responsibility of managing the government have undertaken things that could not have been achieved within a normal political framework. Adjustments within the tax system, the investment market, municipal revenues and labor management relations stand out as examples.

We can be very proud of the constructive attitude adopted by those who bear the responsibility of managing the state. Individuals as well as institutions are reassured by their positive willingness to promptly correct any errors that may be brought about by rapid reorganization. I trust that our situation will improve with each passing day if we evaluate the positive as well as the negative within our past experience. We must join forces, fully utilize all of our resources and work day and night. We expect that friendly nations will support our good will as well as our convictions and intense efforts.

We have had limited experience with development, industrialization and democratic government. In assessing the problems we face as well as the policies and efforts we undertake, friendly nations should demonstrate understanding. In 1981 and in years to come, it is very important that friendly nations adopt policies that will detract from and not add to the difficulties confronted by Turkey.

As the chairman of Sabanci Holding's board of directors, I wish to state that our goals are greater production, higher quality production and lower cost production.

We are determined to undertake a great effort during 1981 to export a greater share of our own production as well as a greater share of Turkish products produced outside of our corporate group.

As a group of Turkish entrepreneurs, we are seeking to provide greater input into the development of the country by producing more, providing job opportunities to more individuals and by directly or indirectly paying more taxes to the state. As citizens, this is our sacred duty.

In the years to come, the question of exports will constitute the first item on our agenda while the question of agricultural investments will be the second.

The fashionable trend towards industrialization as well as the sweet dream of becoming an industrialized nation have caused us to neglect the agricultural sector in our investments.

It is an achievement to detect an error or to discover a mistake.

In the period to come, we are determined to pay greater attention to agricultural investments and to integrated agricultural projects.

9491

CSO: 4654/165

INDUSTRIALIST STRESSES IMPORTANCE OF MIDDLE EAST MARKET

Istanbul DUNYA in Turkish 5 Sep 81 p 8

[Text] Omer Cavusoglu is one of the founders of a conglomerate of companies known as the Kozanoglu-Cavusoglu Corporate Group. Cavusoglu believes that while Turkey is intensively active in the economic sense within Middle Eastern and Arab countries, the economic progress achieved in this area is far from being adequate. He said: "Turkey should be as active in soliciting membership in the Arab Common Market as she has been in seeking entry into the EEC. Once this is achieved, development in all fields will be greatly facilitated."

The statement was made during a panel discussion organized by the Kozanoglu-Cavusoglu Corporate Group and entitled "A Turkish Model for Cooperation in Foreign Construction and Contracting, National and International Banking, Imports, Exports and Transportation." Speaking on behalf of his corporate group, Cavusoglu said that the companies within the group focused on construction and contracting work through the use of a centralized model. He added that this model was similar to export models used by South Korea and Japan.

Cavusoglu said that the process of obtaining a letter of guarantee remained as the principal obstacle facing companies involved in foreign contracting work. He added that some improvement in this situation is currently being felt. Cavusoglu said that the lack of communications, travel opportunities and promotional efforts could be cited as heading the list of factors preventing an expansion of export and contracting activities towards the Middle East and Arab countries. He said: "When the companies move in the direction of attempting to remedy these shortcomings, they will find out that the nations of the Middle East and Africa constitute very important markets for Turkey."

Ali Solmaz, a representative from the Kozanoglu-Cavusoglu construction group said that the total value of business ties already secured or in the process of being secured in Libya had reached \$1 billion. He said that early this year his firm had issued a statement predicting a figure of \$2.5 billion. Solmaz added: "In addition to firm ties worth a billion dollars, we could, should we choose to do so; undertake one or two new construction projects. If we did this, we would have contracts that are worth another billion dollars and this would mean that we would have reached the figure mentioned in our predictions."

In reply to a question, Cavusoglu maintained that there was a need for state regulation in managing Turkish exports. He said:

"Until now, the state has served as a source of guidance in Turkey. The state serves a similar purpose within the Japanese or South Korean models. This however is not sufficient in the case of Turkey. While in the past the state has attempted to play an entrepreneurial role, such attempts have consistently met with failure. As concrete examples of this I can cite the losses incurred by the State Hydraulic Affairs Directorate General on its Libyan investments, the failure of the State Highway Department to complete a 40 kilometer road also in Libya and in spite of assistance provided by ENKA, as well as the failure of Emek Constructions to obtain a single project grant in Libya. If in Turkey the state is not successful in playing the role of entrepreneur in view of its primarily regulatory role, it should assume a more active posture in providing guidance. As Turkish constructors working abroad, the greatest problem we face is one of obtaining adequate service from foreign consulting firms. Through bilateral agreements with foreign countries, it should not be difficult for our state to assume the responsibility of providing these services. Such a development would facilitate not only construction, but would also boost the export of construction materials designed to Turkish standards as well as other products."

9491

CSO: 4654/165

RECORD LEVEL OF EXPORTS TO MIDDLE EAST COUNTRIES NOTED

Istanbul GUNAYDIN in Turkish 24 Aug 81 p 5

[Text] During the first half of this year our exports have increased by 50 percent in comparison to exports during the corresponding period for last year, and climbed to a figure of \$1.957 million. For the first time ever, Arab countries accounted for a larger share of our exports than Common Market nations. While our exports to Arab countries stood at \$762 million for the first 6 months of the year, our exports to the 10 members of the Common Market only reached \$663 million during the same period.

In previous years, the Common Market held the largest share of our exports and in turn sold goods to us on a large scale. While 43.2 percent of our exports during the first 6 months of 1980 were destined for the Common Market, the figure for the corresponding period of this year has dropped to 33.9 percent. The Arab countries accounted for a share of 19 percent of our exports during the first 6 months of 1980. For the first 6 months of this year this figure has risen to 39 percent. Our exports to the United States and Japan remain at an extremely low level. These two countries are home to the world's largest number of consumers.

The Ankara Agreement of 1963 constitutes a decision for partnership between Turkey and the Common Market. In spite of this, Turkey has not received appropriate attention from Common Market nations in matters pertaining to exports. In addition, Turkey has been confronted by measures to obstruct her exports. Agricultural products such as tomato sauce, noodles, olive oil, citrus fruit and grapes are subject to high taxes that vary from day to day. While such products are potential Turkish exports, Common Market nations prevent such exports by levying taxes. As a result, as illustrated by the graph, while the Common Market's share of our imports has remained unchanged, there has been a decline in its share of our exports.



Key:

- (1) Where Do We Send Our Growing Exports?
- (2) Exports for the period January-June 1981 (in million \$)
- (3) Japan
- (4) United States
- (5) Iran
- (6) Switzerland
- (7) The East Bloc
- (8) The Common Market
- (9) Arab States

9491

CS0: 4654/165

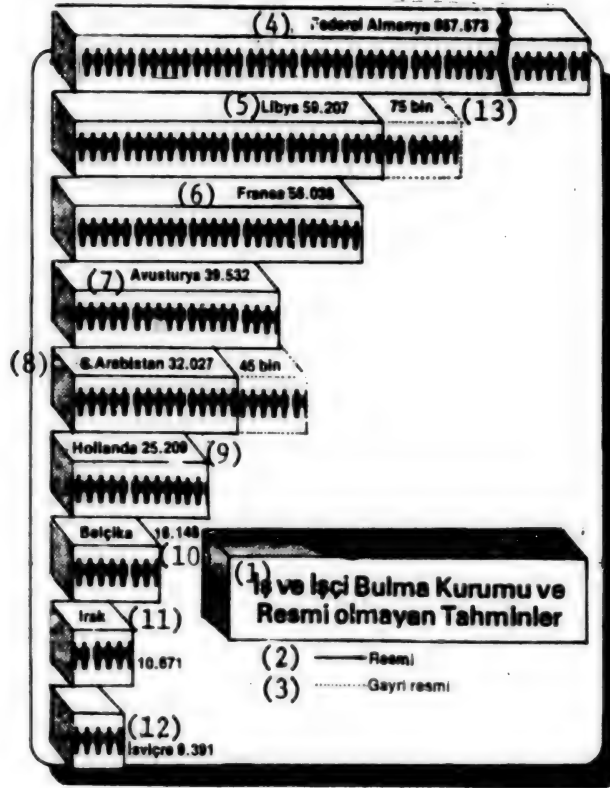
NUMBER OF TURKISH WORKERS IN LIBYA REACHES 75,000

Istanbul DUNYA in Turkish 14 Aug 81 p 8

[Text] The Labor and Employment Organization Directorate General has indicated that it has processed the sending of 9,831 workers to Libya in the period January-June 1981. According to the organization, the number of workers employed in Libya through its auspices stands at 59,207. It is estimated however that up to 75,000 Turkish workers are currently employed in Libya. This figure includes workers recruited through private companies as well as those who are working illegally.

The figures provided by the organization indicate that since 1961 a total of 934,036 workers have been sent abroad through its auspices. Of a total of 18,387 workers sent abroad during the first 6 months of 1981, 9,831 went to Libya while 4,731 went to Saudi Arabia. This has brought the total number of Turkish workers working in Libya through the auspices of the organization to 59,207 while for Saudi Arabia this figure stands at only 32,027. It is estimated however that there are up to 75,000 Turkish workers in Libya and 45,000 in Saudi Arabia. These figures include workers recruited through private companies as well as those who work illegally.

During the first 6 months of this year 132 workers were sent to West Germany where the largest number of Turkish workers currently live. On 1 July, the total number of workers sent to West Germany through the auspices of the Labor and Employment Organization Directorate General had reached 657,573. Of the 18,387 workers sent abroad during the first 6 months of this year, 2,833 went to Iraq, 162 to Switzerland, 137 to Australia while the remaining 513 (exclusive of those who went to Libya and Saudi Arabia) were sent to other countries. According to data provided by the Labor and Employment Organization Directorate General, West Germany is followed by Libya and Saudi Arabia in having the largest number of Turkish workers. Among the countries employing the largest number of Turkish workers the statistics list France with 56,038 persons and Austria with 39,539.



Key:

- (1) Numbers of Workers Sent by the Labor and Employment Organization Directorate General and Unofficial Estimates
- (2) Official totals
- (3) Unofficial totals
- (4) West Germany
- (5) Libya
- (6) France
- (7) Austria
- (8) Saudi Arabia
- (9) The Netherlands
- (10) Belgium
- (11) Iraq
- (12) Switzerland
- (13) bin = thousand

9491

CSL: 4654/165

ERRATUM: The following is a corrected version of a translation which appeared on pages 37 and 38 in JPRS 79261 of 21 October 1981, No. 1836 of this series.

ECONOMIC

TURKEY

DANGER OF RENEWED INFLATIONARY SPIRAL NOTED

June Inflation Figures

Istanbul GUNAYDIN in Turkish 31 Jul 81 p 5

[Text] The inflation rate, after having reached 4.5 percent in January and 2.2 percent in February, and having declined by 8 percent in the months of March and April, climbed to 6.4 percent in June, raising the specter of a yearly inflation rate attaining 50 percent.

This year marked the second highest June price increase in the past 9 years, next to the 7.2 percent monthly rate in 1979. Monthly inflation rates in Turkey always tend to rise in the first 2 or 3 months of the year, level off in mid-year, then pick up steam again, especially after September.

Monthly inflation rates for the 8 years since 1973 show an average inflation rate for June of 1.2 percent. During those same years, the average inflation rate for the first 3 months after June, that is, July, August and September, was 6.1 percent. The average inflation rate for October, November and December for the past 8 years, however, rises to 9.4 percent. Thus, usually starting in June, prices seem to step on an escalator.

Taking past price trends into account, if prices continue to rise at the present rate, the total for July, August and September will be 11.6 percent and, by the same token, October, November and December will average 15 percent. The 1981 inflation rate, therefore, would exceed 48 percent.

Meanwhile, authorities note that rising prices of liquid fuel and industrial raw materials in June brought the month to a close at 6.4 percent inflation. "The increase in these goods will inevitably reflect on food prices in the months ahead. Thus it is seen that the year will close out with inflation at around 50 percent," they say.

Inflation Subsequent to June in Past Years

Year	June Inflation Rate	July, August September Average Inflation Rate	October, November December Average Inflation Rate
1973	0.4 %	8.6 %	9.1 %
1974	3.2	3.6	1.6
1975	1.9	0.2	6.0
1976	0.9	0.2	5.6
1977	1.2	9.9	11.6
1978	1.8	11.3	8.1
1979	7.2	9.9	18.2
1980	2.8	5.2	14.6
1981	6.4	--	--

Source: Ministry of Commerce Wholesale Goods Price Index

Indicators Cited

Istanbul GUNAYDIN in Turkish 31 Jul 81 p 5

[Text] Professor Feridun Ergin, teaching member of the Istanbul University Faculty of Economics, said, "There are indicators showing that price activities will gain speed in the fall." Noting that emission, that is, the printing of money, has increased and that the price of foreign exchange has risen, Professor Feridun Ergin went on to say:

"Increases are being seen in all costs. The indicators make one think a renewed inflationary spiral likely."

Professor Ergin stated that it would be hard to make a firm estimate as to what the inflation rate would be, but that long-term estimates indicated spiralling prices. "It may be said that the inflation rate will be approximately 50 percent by the end of 1981," he said.

8349

CSO: 4654/145

PSC'S NOTHOMB VIEWS ELECTION, ATTACKS SOCIALISTS

Brussels LE SOIR in French 15 Oct 81 pp 1,2

[Commentary by Charles-Ferdinand Nothomb, PSC member of parliament and former minister of foreign affairs: "The Socialists Are Leading Wallonia into a Dead End"]

[Text] Every president of a party participating in a government coalition has a strong negative power: he can block the government or cause it to fall.

Everyone who has been a party president knows this power, but also knows its limits. Because, while one can prevent things from being done, one cannot with such an attitude build a policy or bring about government decisions.

Barely a few months after having been elected to the presidency of a party which does not, by itself, have either the power or the right to commit Wallonia, Guy Spitaels did not resist the temptation to block the national economic policy or the temptation to use that negative power. For several months he impeded the overall economic policy measures necessary for the country's recovery. In September, under the pretext of wanting to gain a few days for the tackling of the steel industry file, he wanted to block all activities of the national government and lead to the dissolution of parliament.

Thus, the PS [Socialist Party - French] has prevented, until the formation of the next government, all national policy actions, such as the regional policy, which are so very necessary in an economic crisis of such length as the one we are in, and for a region with as many problems as Wallonia.

Hence, the role of the Walloon socialists in Belgium and in Wallonia could be characterized simply as follows:

- Things are going badly;
- The socialists do not want to change anything;
- Thus, things will go even worse.

Once the crisis had been provoked, the PS chose the easiest possible diversion: shift the controversy to the community level instead of formulating the economic policy problems as they should be formulated, in realistic and concrete terms.

Indeed, what would be easier, if one wants to avoid a debate among the Walloons on the economic policy, than to offer community slogans and to provoke a flight toward such slogans as federalism, if not separatism, and even to invoke the so-called ill will of the European Community with regard to the Walloon steel industry.

It is a flight, and the "Master in one's own house" slogan, which was invented by the FDF [Democratic Front of Brussels French Speakers] for Brussels, thus causing the city so much harm, and which was picked up by the socialists, is definitely equally harmful to Wallonia.

As a matter of fact, to master one's fate and one's future, does not mean to withdraw into oneself, nor to want to limit oneself to being master in one's own house. What is required is to be able to influence one's fate there where it is being decided, that is to say to a large extent also outside of one's region.

Of course, the political ability of the Walloons must be practiced intelligently within the framework of the regional policy to be developed by the regional institutions: in this regard, the PSC [Christian Social Party - French] views are more open to the future than are those of its former socialist partner.

But the Walloons also have and will have a more significant influence on the national government. To galvanize this national influence by concerning oneself only with regional problems, or worse yet, by axing a whole industrial sector, such as the steel industry, is to forget that our future lies as much and more in the new industrial sectors (from aeronautics to telecommunications). It is also to forget that general economic factors, which can be influenced by the Belgian state and its international role, also have an effect.

Are the socialists forgetting that the Walloon aerospace industry depends on the long term contracts which Belgium has concluded? That the position of the Belgian franc and the competitive position of our economy have a greater influence on Wallonia than any regional measure? Are they forgetting that 80 percent of the production of Cockerill-Sambre depends on foreign markets? That a realistic European policy is the best safeguard of the future of the steel industry?

Are they ignoring the influence of the Walloons in national and international organizations?

I can testify to the damage caused, in a series of international negotiations, by the development of a political crisis in Belgium. It impedes ongoing progress, which is necessary to Belgian interests, and thus also to Walloon interests.

A few years ago, when we committed ourselves to a collaboration with the socialists in the area of regionalization and of the Belgian government, I requested, and was granted by the then partner, the assurance that Walloon interests would not be tackled on the basis of slogans or on the basis of sudden impulses, but that one would think before acting, and that in appointing those Walloon officials most important to the economy -- and specifically in the area of public industrial initiative -- one would make sure that the people would be nominated on the basis of their technical abilities and not simply on the basis of their past history as party people. I have observed that recently -- whether in the steel industry or in the Regional Investment Company, or elsewhere -- the socialists have given preference to people whose loyalty to the party was more important than their technical abilities.

Not only is the Socialist Party behaving badly in Wallonia and leading Wallonia badly in terms of its regional interests, it also makes poor use of the influence of the Walloons in the national and international areas. In addition, it gives Wallonia a reputation which does a disservice to the region.

If the socialist president wants to lead his party into a dead end, then it is his party's business if it decides to follow him there, but he has neither the authority nor the right to lead Wallonia into a dead end.

The Christian Social Party conducts a policy for Wallonia which is both resolutely regional and attends to the realistic influence of the Walloons in the national and international areas. If it comes out of the upcoming elections strengthened, then it will be able to put matters back on track while maintaining the necessary diversity and decentralization within Wallonia, which the socialist leaders have tried in vain to destroy.

8463

CSO: 3100/63

SINGLE-TAX PARTY CONGRESS ELECTS NEW CHAIRMAN

Copenhagen BERLINGSKE TIDENDE in Danish 5 Oct 81 p 5

[Text] Single-Tax Party Policy Unchanged Since 1919

The superordinate goal of the Single-Tax Party remains as it has been since the party began in 1919 the introduction of a total land tax to replace the income tax and this basic principle was not disturbed during the party's national congress in Skive over the weekend.

In a resolution approved almost unanimously by the congress the party proposed a change of course to deal with the fact that Denmark is on its way toward national bankruptcy that would include reducing the treasury deficit, the introduction of a land tax and the phasing out of state guidance of business life.

In the area of current policy the party noted its support of the nonsocialist parties' demand for the elimination of exclusive agreements as well as the wage-earner funds' and pension funds' purchase of shares in private businesses. Political spokesman Ib Christensen said that the only possible solution to Denmark's political crisis is the formation of a broad coalition government.

The Single-Tax Party was divided in its stand on defense and security policy. After a debate Saturday evening that lasted several hours the congress voted that the party's leadership, the party council, should now consider whether Denmark should apply for the protection of the United Nations, thereby also resigning its membership in NATO. This was preceded by a debate for and against NATO and a number of speakers pointed out that Single-Tax Party members are far from united in their view of this question.

The party leadership and the national congress rejected any idea that the Single-Tax Party might make itself available to the government and the compromise parties and Folketing member Ole Flygaard who was criticized earlier for "selling out the party's land tax ideas" was also criticized for a statement that the Single-Tax Party should replace the Center Democrats in the compromise party group.

Party Elects 27-Year-Old Chairman

At the Single-Tax Party congress in Skive this weekend the youngest national chairman so far was elected, 27-year-old Poul Gerhard Kristiansen. He succeeds Lars

Fredsted Kristensen who after 3 years as chairman wanted to use more time on his job and his family.

Poul Gerhard Kristiansen is a student of history and religion in Aarhus and he has served as national secretary for the youth organization of the Single-Tax Party, DRU.

The new chairman belongs to the party's pacifist wing but is regarded first and foremost as possessing organizational talents which he unfolded as chairman of the party's organizational committee.

The new national chairman is taking over just as the party's membership figures are shrinking below 2000 and an organizational rally will also be his highest-ranking task.

6578

CSO: 3106/5

WEIZSAECKER INTERVIEWED ON STATUS, PROBLEMS OF WEST BERLIN

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 2 Oct 81 p 3

/Interview with Richard von Weizsaecker, governing mayor, West Berlin, by Alois Rummel/

/Text/ The latest events in Berlin indicate that the new CDU Government's honeymoon has most certainly come to an end. Skeptics are indeed asking whether the city is even governable at all.

/Question/ Mr Mayor, the first 100 days of your rein seem to be distinguished by calm, steadiness and the self-confidence of the new Senat. I deliberately say "seem," because political realities in Berlin are very different: Continuing disorder, insecurity, new riots, one person killed, the vote of nonconfidence in the assembly--not against the entire Senat but two senators. After 100 days of von Weizsaecker Government do you think that Berlin is governable at all?

/Answer/ We have taken over a distressing heritage. The consequences were early elections and the formation of a Senat from the former opposition. I made a point of saying in my policy statement that no miracle solutions should be expected in a few weeks or months. Problems often need as much time for their resolution than for their generation.

The increase in initially peaceful demonstrations getting out of hand and becoming violent caused us--consonant with our proclamations--to clear those occupied buildings which it was appropriate to clear for legal and housing considerations. We did this to defend the law in this city and therefore also the creation of the basis for the most important housing measures of the immediate future. We began calmly and deliberately by refusing to launch a night and fog action and instead stating quite clearly what we were out to do, we signaled our readiness for talks, offered alternative accommodation and plainly described our housing goals. In the course of differentiating within the squatter scene it was necessary, however, to take action against those who are unwilling to enter into any discussion. The overwhelming majority of the Berlin public back us, actually people had gotten quite impatient waiting for us to come to a decision.

/Question/ Herr von Weizsaecker, let me put the question once more: Do you feel that Berlin as a city amidst the GDR can still be saved for the future?

/Answer/ I am quite sure it can. Not only is it possible to govern Berlin, the city will also regain and strengthen its attraction, an attraction which, in turn, used to provide the basis for the worldwide interest in and commitment to Berlin.

Many large metropolitan areas have acquired a reputation of ungovernability. I have just returned from New York. Five years ago people moved out of New York in droves. In the meantime a counter trend has developed. I do not mean to compare Berlin with New York; Berlin is smaller, and it has problems not present in New York. I am firmly convinced, though, that public confidence in the Senat will grow with every month--transcending party lines--, thereby creating the climate necessary for us to cope with the problems of this city.

/Question/ I am following on your policy statement and projecting it on the 100 days of Senat and government Richard von Weizsaecker. At the time you said that Berlin needs a new political dimension. What is this new political dimension to be like, how can the Berlin public be made to realize that it is once again worth while to live here?

/Answer/ Our most important contribution must of course be the resolution of our city's problems. After the Four-Power Agreement (the benefits of which we certainly welcomed), the impression has tended to arise in Berlin as if we were now living at the margin of international and German events, as if there were nothing but unsolved problems, as if we had been left to stew in our own juice. That is an objective error. Nor does it match the appraisal in the capitals of our protecting powers or Eastern Europe.

We continue to live at the intersection of international developments in the East-West network of relations. U.S. Secretary of State Haig quite deliberately chose Berlin as the place to announce his declaration of principle to the Europeans. A few weeks from now the British Foreign Secretary will come here, and I went to America for the same reason: I am certain that we in Berlin have experience to contribute.

Within the framework of our foreign affairs representation by the Federal Government, which we gratefully acknowledge, it will be necessary clearly to display the specific Berlin viewpoint. The more we look at this incorporation and function of Berlin within the scope of international affairs, the more this will ease the settlement of our city's problems.

/Question/ Once upon a time Berlin was the turntable between East and West; it was designed to be a Western display window to the East. In my experience Berlin residents no longer think so. Will Richard von Weizsaecker's Senat be able to revamp this perspective?

/Answer/ To begin with let me point out that we need to remember the basic terms of this Atlantic cooperation with respect to that which allies us to America, the power which, together with Britain and France, daily guarantees our freedom and security, with respect to that which we need in our relations with America: Readiness for defense on the one hand, active Eastern policy on the other. These two are indivisible.

That is the only way to safeguard the foundation and goals of the Atlantic Alliance. It does seem to be as if this were something which might be more acutely felt in Berlin and more credibly championed in America than is sometimes done by many senior politicians in the Federal Government and the Bonn coalition parties.

/Question/ Could you be a little more precise, please? How may Berlin's politics in matters Germany and Eastern affairs be more clearly articulated and filled with a new meaning--at any rate better than before?

/Answer/ On the 20th anniversary of the Berlin Wall the Senat commemorated this event. I proclaimed our attitude on behalf of the Berliners: My phrase that not war but peace only should originate on German soil reflected my conviction that we need to take these seriously: That no more shooting should occur at the Wall, and that the increase and expansion of the minimum exchange must be canceled because this contradicts the meaning and goals of the Four-Power Agreement.

Moreover, and always considering what the Germans in East Berlin and the GDR really want, we must at all times endeavor to advance active relations with the other part of Germany, especially when and where this costs money. Upon contemplating budget decisions, therefore, Berlin must advocate that--despite the necessary cuts--we still have some money to spare, which may do some good to our compatriots on the other side, even if this must be done via their government.

It would indeed be a misfortune if we in the Federal Republic of Germany had money to spare only for our own benefit, no longer also for items of interest to our compatriots on the other side, simply because they do not have their own lobby in the Bundestag. To make our voices heard on this topic, that is one of the functions and tasks of Berlin with reference to German affairs.

/Question/ In the near future, probably late this or early next year, the Federal Chancellor will visit East Berlin. How and to what extent can you, in your capacity as governing mayor of Berlin, affect the organization and, of course, the possible results of this visit?

/Answer/ We are constantly in close contact with the Federal Government regarding the current status of inner-German relations and, consequently, the preparations for such a meeting. From our vantage point in Berlin we must (and in a comparable situation by predecessors did the same, even though it was not always convenient for the Federal Government) urge primarily that what must prevail is anything which affects people directly as well as their free movement, in other words the observance of treaties and promises. We will therefore most resolutely urge the cancellation of the expanded and increased minimum exchange.

Furthermore I have always advocated for Germany policy first of all and later also for Eastern policy as a whole that we should be ready and able to discuss a wide range of reciprocal relations, including possibly culture and economics, science and technology. As regards security, defense readiness must be in the first rank.

/Question/ Herr von Weizsaecker, Berlin used to be a symbol of freedom. Your new line, however, can be effective only if fully understood by the Berliners. I have often had the impression that a section of Berlin residents by now is simply resigned

to developments. According to my observations the necessary activation and motivation of Berliners is lacking. Do you have any suggestions how to get over this apathy?

/Answer/ I am unable to agree with your appraisal. Of course a lot of people are perplexed--and more than that--about the repeated acts of violence which, in the margin of demonstrations, result in threats to property, violence against the person in Berlin. So far the cooperation necessary by all responsible political forces here in the assembly and the sociopolitical forces outside has not arrived at the point which will take the wind out of the sails of violent dissenters and anarchists.

We have not yet advanced far enough in the public--and especially parliamentary--debate, nor in the discussions with the opposition. As far as the SPD is concerned I cannot but accuse them of fulminating against violence in public on the one hand (and I fully believe in their sincerity), yet on the other of providing the "movements" with ever fresh arguments designed to encourage them and eventually lead to more violent actions in the margin. I am sure that this policy of as well as will result not only in a test of strength within the SPD but necessarily also in the gradual paralysis of Berlin, and that is what we must overcome.

/Question/ Herr von Weizsaecker, is it your understanding that the Berlin public really appreciate what you are saying?

/Answer/ Let me say that I am sure I am better understood with every passing week. Let me remind you of the events of the past week in connection with the clearing out of squatters: Despite the general concern about the terrible and tragic accident which occurred, we have received unprecedented public encouragement the next day. People came to city hall, they telephoned and wrote us that we should continue this approach because--coupled with the utilization of all opportunities to openly handle disputes--the return to a peaceful discussion responds to the wishes of virtually all Berliners, regardless of party affiliation.

/Question/ The parliamentary opposition here in Berlin accuses you personally as well as your interior senator of having insisted too much on the letter of the law and not reacted politically in view, especially, of the squatter situation.

/Answer/ In my opinion the parliamentary opposition and Dr Vogel, its chairman, would have done better to keep silent precisely with regard to this case. While he was in office the incidence of occupied buildings rose from 29 to 167. As a result the problem grew to an extent and assumed a seriousness which we now have to tackle. I consider it praise to be told that I am concerned with the letter of the law. As an accusation from the lips of a former Minister of Justice it sounds particularly surprising. Of course I do not dispute the opposition's right to criticize and submit the motions it considers appropriate. They should not, though, count on finding an echo among the public, because they in fact caused the abuses we must now confront.

/Question/ Mr Mayor, there is such a thing as a Berlin line, drawn up by your predecessor but agreed by you. You are now being accused of having abandoned this policy. Is that so?

/Answer/ The opposite is true. The Berlin line requires us to clear buildings so as to carry out the necessary measures wherever repair work or other housing measures are indicated, where the public prosecutor recommends prosecution, or offers of negotiations and alternative settlements are rejected. Herr Vogel, my predecessor, proclaimed exactly the same intention but then failed to follow through. We made the announcement also, but in contrast to Herr Vogel, translated our decision into resolute action.

/Question/ Squatting can ultimately be abolished only if sufficient housing is built in Berlin. You promised to build 50,000 apartments in Berlin by 1985, that is by the end of your term of office. Is such a promise actually capable of fulfillment?

/Answer/ As we stated in great detail in our policy declaration, we will have to alter the fiscal basis and emphasize the need to promote the construction of privately owned homes without reducing public housing construction. The resources of the government do not suffice to entirely bridge the discrepancy between the actual rentals paid and the costs of new construction. Commitment to housing construction must therefore be made attractive once more to private investors. That problem is not confined to Berlin.

/Question/ Herr von Weizsaecker, you know very well that you have no majority in the Berlin assembly. You are dependent on the good graces of the FDP, actually just sections of the FDP. In such conditions and judging by your experiences is it really possible to carry out a program and one day call on the voters to judge its implementation?

/Answer/ A government is not upheld by affection or good will. It is upheld by election results. And the election results read that my party got 48 percent, the old SPD/FDP coalition less than 44 percent. Consequently it was clear that the obviously stronger party had to get the opportunity to form a government and to govern. These circumstances will remain valid for the entire legislative term. The mathematics will not change. Of course we must endeavor to carry out a policy which is credible, comprehensible and acceptable even beyond party lines. That is in any case a suitable guideline when we consider the problems to be settled in Berlin. After the first few months of office I think that it is quite possible to govern on this basis. The first and most important steps were the budget measures by which we in Berlin--and I claim this without fear of exaggeration--set an example to other federal Laender also. Now we are ready to tackle housing and employment issues.

/Question/ I admire your optimistic view of the FDP. Is it really possible, as you say, to assume that there is a kind of silent agreement, albeit no coalition; that relations with the Free Democrats are getting slightly warmer--to put it cautiously?

/Answer/ I think we all gain experience together. After all, we are not dealing with unreasonable monsters; we discuss problems and not only are getting used to one another but also appreciate that the intentions of the Senat are, in the present circumstances, the best for the city. Whenever we are wrong, we are of course quite ready to correct our approach.

/Question/ It seems that it was not easy for you personally to take root in Berlin. There are some critics of your style of leadership even in your own party. How do you yourself assess your relations with the Berlin CDU?

/Answer/ I do not know what exactly you mean by critics. I grew up in Berlin, was stationed here while in the armed forces. After the war, it is true, I did not live in Berlin but I have visited here innumerable times. If I am at home in any city at all, I am at home in Berlin. Now I have been in politics here for 3 years. It is a great challenge and I am giving it all I have.

It is only proper for a popular party such as ours to have differences of opinion. Moreover the Berlin CDU had to get used to hold political responsibility on its own. I am quite aware of the fact that, as the spokesman for this task, I occasionally make demands which are not necessarily convenient. But I am sure that we are working together smoothly and must say a lot of things would go more easily in our time and our country if other government parties were as cohesive as the Berlin CDU.

11698

CSO: 3103/38

ABILITY TO 'HANDLE RUSSIANS' NEEDED FOR KEKKONEN SUCCESSOR

Stockholm DAGENS NYHETER in Swedish 8 Oct 81 p 18

[Article by Kaa Eneberg]

[Text] Helsinki--It now seems likely that the people of Finland will go to the polls in January to elect a successor to ailing Urho Kekkonen, now 81 years old.

This should really be taken care of earlier than that according to Finnish constitutional experts DAGENS NYHETER spoke to. No one believes the president, who is having trouble with his memory and thought processes, will ever be able to resume his duties.

The criticism has been in the air and Justice Minister Christoffer Taxell of the Swedish People's Party felt he had to declare that a lengthy leave of absence due to illness is by no means illegal or a bad thing for Finland. It is simply as if the president were taking a long trip.

The president's illness, which has been acute for a month now, has created a peculiar and unreal political climate in Finland. The popular president is in seclusion at his home, "Ekudden." They are all holding their breath, hoping the president himself will resign. That is an opportunity everyone wants to give to a man who successfully led Finland for 25 years. But communications with the sick president are limited. A less charitable theory concerning his isolation, heard from both politicians and bureaucrats, is that the Center Party, the president's own party, wants to gain time before the next election by means of the extended sick leave.

Dismissal

In theory the popular Social Democrat, Mauno Koivisto, could dismiss Urho Kekkonen if it is felt he cannot handle his job. The taciturn former dockworker is now Finland's acting president with the same broad powers as any other president of Finland.

But firing a man so deeply rooted in the hearts of the Finnish people would be regarded as an outrage. It wouldn't give Koivisto any points in the presidential conflict which has already begun.

Instead Mauno Koivisto visits "Ekudden" at long intervals, doesn't say a word to the press and gathers points for his low profile.

Those standing watch at the big Soviet Embassy building on Fabriksgatan, a stone's throw from the harbor, are also being discreet. When the president became ill Ambassador Sobolev had to cut short his vacation and return to his observation post. Incidentally he is the only foreign delegate who has personally seen the sick man--an indication of the importance Finland assigns to its friendship with the Soviet Union.

In Finland no attempt is made to conceal the close ties with the Soviet Union--both political and economic.

Handling the Russians

In the preliminary stages of the presidential conflict everyone is concentrating on a discussion of the ability of candidates to "handle the Russians," as the popular expression goes.

"President Koivisto" is completely cut off today from the house of parliament, the magnificent columned building on Mannerheimvagen where political discussions are taking place at top speed. A Finnish president is not allowed to influence elected representatives and is thus welcome only as an invited guest on ceremonial occasions.

But the other leading characters in the drama can move freely there in the building where the new president will be elected ceremoniously in January or February. There one can see Koivisto's swordbearer in the conflict, Social Democratic Party chairman Kalevi Sorsa, in conspiratorial conversations in the cafeteria. One can also see Johannes Virolainen, the speaker and ousted Center leader many Center voters, but not the Center leadership, would like to see as president.

But this is not true of Ahti Karjalainen, the old foreign minister, whom the Center leaders are trying to promote. He is director of the Bank of Finland in the heart of the city. He will soon go to Moscow in his capacity as Finland's chairman of the Russian-Finnish Cooperation Committee--a trip certain to give him points in the conflict.

Decision

During the president's extended sick leave, which lasts until 10 November, a decision is expected concerning the presidential election. Kekkonen's studiously demonstrated improvement--with sauna baths and promenades--is regarded as leading up to a letter of resignation.

Under the constitution an election can be held 75 days after this is done, counted from the first day in a month. This is seen as possibly meaning 75 days from 1 November--a suitable Sunday in mid- or late January.

The people of Finland don't elect their presidently directly as is done in France. Instead 300 so-called electors, people entitled to cast votes, are elected. They can be members of parliament but as a rule they are not.

The Riksdag continues to work and in theory is not affected by the presidential election. The multiparty government, now headed by Center Party man Eino Uusitalo, will not be affected either.

Three Ballots

In an ordinary presidential election the electors have a month in which to select a president. But not in this election in the middle of a presidential term. Now the electors must assemble as quickly as possible in the house of parliament to vote on a president in a single highly dramatic day. They will cast their votes in three different ballot counts. These ballots are secret but in the electoral campaign the electors usually promise to vote for a definite presidential candidate.

The parties have been engaged in selecting their own candidates for some time before this. It is almost part of the system that even small parties present a candidate who falls by the wayside after the first round of voting. But the compromise candidate the little Swedish People's Party chose to back, political scientist Jan-Magnus Jansson, is a special case. If none of the "big" candidates get the necessary 151 votes the electors might decide on a "dark horse" at the last minute. It has happened before in Finland.

Swedish Papers Tasteless

Mainland Swedish newspapers have not shown good taste and sensitivity when it comes to President Kekkonen's illness in the view of the major organ of the Social Democrats, SUOMEN SOSIALIDEMOKRAATTI. They have behaved in an unworthy fashion, according to that paper.

In Helsinki the editorial remarks of SUOMEN SOSIALDEMOKRAATTI caused something of a stir. Many wondered why the paper censured the Swedish press in general and neglected to mention that the criticism applied primarily to the evening papers, including LO-owned [Swedish Federation of Trade Unions] AFTONBLADET.

6578

CSO: 3109/16

POLITICIANS ASKED TO EXERCISE MODERATION IN PRESIDENTIAL RACE

Helsinki HUFVUDSTADSBLADET in Swedish 2 Oct 81 p 2

[Editorial by Jan-Magnus Jansson: "Moderation of Urgency"]

[Text] Moderation is needed both in judging the daily situation concerning the president's illness and in preparing the election campaign which is already looming, writes Jan-Magnus Jansson.

In the discussion which has raged since the news of President Kekkonen's illness became known, the human aspects have been noticeably overshadowed by the political.

It is the fate of all people eventually to be afflicted by the destructive processes of old age and illness. But the large majority of us are privileged to pass through these processes as private individuals, far from the bright lights of public life. When it happens to a person in high public office, especially an internationally known statesman, he does not enjoy the same protection. His illness can have wide-spread consequences, and is therefore followed day by day in the media. It can not be otherwise. In spite of this, a person in such a position should also be allowed the same consideration which is normally given to a person who becomes ill.

In the case of Urho Kekkonen, a man who has always placed special emphasis on physical and mental health, the descriptions of ill health portrayed in the official bulletins create a tragic picture. It is something that we all have reason to reflect upon.

So much for that. On an entirely different level are the legal and political consequences if the president is determined to have "permanent deterioration," as it is called in the constitution. In such a case, still according to the constitution, election of a new president shall take place "as soon as possible."

"As soon as possible," according to the opinion of experts, is a strictly binding formula. It means that no delay beyond that which is necessary for election technicalities is permitted. There is no allowance for political deliberations.

In practice this means, according to the legal experts, that the election should take place on the Sunday and Monday immediately after 75 days have passed since the

cabinet determines that the president has "permanent deterioration." At least the election can not be significantly postponed after that.

The election law recognizes only elector candidates, not presidential candidates (one can of course ask himself if that is practical). The parties can not count on any special delay for nominating presidential candidates. Actually all the parties concerned could probably manage to complete the nominating process within the prescribed time. Another thing is that it would probably not be easy to "sell" a nominated candidate in such a short time. Here we again come up against the fact that the question of the existing president's successor has long been taboo as a free topic of discussion. This nervousness among politicians is, however, understandable.

Another central question which has been discussed in several stages in the legal literature is how "permanent deterioration" of the president should be established. Strictly speaking only a doctor's certification is required, after which the cabinet approves the measures which are necessary in order for the election to be held (mainly determining the days for voting for the electors). In both cases when the president departed before the end of his term--Kallio and Mannerheim--the president himself requested retirement because of illness.

It appears that the cabinet's possibilities of proof are strictly limited. As for proof of "deterioration" there is dependence on the doctors' votes, possibly in conjunction with the president's own initiative. The time of the election is, again according to the interpretation given to long-established constitutional words, that the election shall be held "as soon as possible." As of course it should be in a nation governed by law, the time for political testing--or pressure--should not be too long.

Since President Kekkonen's sick leave expires on 10 October, a decision one way or another must be made next week. It has been intimated that the decision could be to extend his sick leave for one month. Considering the weight of the decision, further extension is not unreasonable. At the same time it should be made clear that an irreversible situation is being created. The legitimate need of the parties to prepare for an election means that they must set their machinery in motion. It is important that the election take place in such a way that the results of President Kekkonen's 25-year efforts to create national unity around foreign policy are not destroyed. Foreign policy can and should be discussed in the election, since conduct of foreign policy is seen as the president's most important concern. Such a discussion can, however, be carried out by comparing the candidates qualifications and merits in foreign policy without hitting below the belt. There is reason to believe that foreign countries, especially the Soviet Union, have been convinced that our foreign policy during Kekkonen's time has become so fixed and so all-embracing that the change of the person in the president's post would not have the same dramatic character that it would have had 20 or 25 years ago. If we are successful in holding the discussion on such a positive level, the election, which under any circumstances will be hard, will be reduced to "normal" proportions. That also means that political cooperation after the election and the painless transfer from one regime to another is facilitated.

FOUR TAISTOITES SUSPENDED FROM COMMUNIST FRONT PARTY

Stockholm DAGENS NYHETER in Swedish 9 Oct 81 p 23

[Article by Tor Hognas]

[Text] Helsinki, 8 Oct--Four opposition members of the parliamentary group of the Finnish People's Democratic League were suspended from the group Thursday until the end of November. The four belong to the so-called minority wing in the communist party.

The move is believed to be leading up to a total split of the communist party against the background of the burning presidential issue.

The formal announcement said that the four were disciplined because they went against a group decision on an issue involving the introduction of street taxes for property owners. The majority backed the government's proposal while the four opposed it.

The whole thing is really the result of a 15-year-old rift in the party. Eleven of the parliamentary group's 35 members have been in constant opposition on most issues. It did not help that the party congress passed a resolution this spring calling for reconciliation.

Disagreement is especially marked on the presidential question.

The minority has conducted a propaganda campaign for Ahti Karjalainen of the Center Party despite the fact that the communists will go into the campaign with their own presidential candidate.

The minority questions Mauno Koivisto's ability to handle the nation's relations with the Soviet Union and attacks the left-wing socialists in the People's Democratic League who are ready to vote for Koivisto instead of Karjalainen in the presidential election.

The minority received a warning in the spring; now four members of parliament have been suspended. No one knows what will come next but many people think all those who balk will be kicked out of the party.

The four who will be forced to remain outside the fellowship for a while are Pauli Puhakka, Marjatta Stenius-Kaukonen, Marja-Liisa Salminen and Seppo Toivainen. We can expect other members of the opposition faction to go for a while as soon as they go against group decisions.

The People's Democrats (communists and left-wing socialists) will play a really decisive role in the upcoming presidential election. One can say that the candidate who has the support of the People's Democrats is sure to be elected.

Therefore the Social Democrats are hoping the majority communist electors will support Koivisto.

The Center Party is on the same mission, trying to get the People's Democrats to back Ahti Karjalainen, the man party leaders think will be nominated.

But Aarne Saarinen, chairman of the communist party, has not yet made any commitments. That is why he has long been irritated that the minority group was supporting Karjalainen and condemning Koivisto.

The chairman of the People's Democratic League, Minister Kalevi Kivisto (left-wing socialist) has said that one might well back Social Democrat Koivisto.

Pauli Puhakka, who was suspended, thinks Saarinen is trying to make it impossible for the minority to nominate its own electoral candidates (it is the 300 electors who elect the president).

The nomination period for electoral candidates will probably be over before the four are reinstated. And more minority communists could be suspended for a while in the next few weeks.

Party friends in the Soviet Union have prevented an open split in the Finnish communist party. But observers believe that Saarinen has now had enough and intends to purge the rebellious minority regardless of what comrades in Moscow say.

The party whip will be cracking this fall. The minority must yield or go, spokesmen for the majority say.

President Kekkonen's condition is unchanged, the president's office announced on Thursday. There has been no change since the last health bulletin was released on Monday. The president has gone for a walk every day, it was said.

The next bulletin will be issued this coming Monday. People in parliamentary circles expect the issue of Kekkonen's departure to come up in the next few weeks so that the electoral election can be held on 17-18 January 1982.

6578

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GOVERNMENT'S INDEMNIFICATION METHOD CONTESTED

Paris LE MATIN in French 17 Sep 81 p 6

[Article by Denis Pingaud]

[Text] Yves Flornoy, manager for the stockbrokers, does not agree with the government proposals. The indemnification of stockholders will be made by the payment of debentures redeemable in 15 years, bearing an interest indexed to that of state loans and whose face value will be equal to the average market prices of "bought back" stocks over the last 3 years. The Council of State, indeed, would not challenge the legal principle of this formula. But it could draw the attention of the authorities to the method of computation, violently challenged yesterday by Yves Flornoy, manager for the stockbrokers.

The stockholders of "nationalizable" companies should now know what to think about their fate. Indeed, the Council of State is to pronounce its opinion, in plenary session, about the indemnification formula upheld by the authorities in the rough draft of the text on nationalization. This draft anticipates particularly "repaying" the owners of nationalized firms by the remittance of debenture bonds whose face value would be equal to the average, over the last 3 years, of the market prices of stocks "recovered" by the authorities. These prices, in the present case, would be those "fixed on the settlement market between 1 January 1978 and 31 December 1980."

The principle of referring only to market prices to determine the value of the debentures was not legally challenged by the experts of the Council of State's finance section. These experts, on this exact point, should be followed by all their colleagues, which would avoid the government's having recourse to the other formula--recommended by the Market Transactions Commission (COB)--which consists of taking as the basis for computation a "basket" of criteria, among which are market capitalization, of course, but also the net assets and the trading results. This system has the drawback of substantially complicating the computations and thus lengthening the time limits for settlement of indemnification.

The Council of State could still show it is sensitive to the arguments of those who consider the government plan "unfair," as soon as the sole recourse to the criterion of market prices has been accepted. In other words, the reference to

the last 3 years is not necessarily the most "just." This is what was clearly stated yesterday by Yves Flornoy, the manager for the stockbrokers, who, for the first time, entered the battle to question, covertly, the methods of indemnification planned by the authorities.

"The dispossessed stockholders would be robbed," Flornoy stated, "if the repayment were less than the average value of the prices for the first 3 months of 1981 increased by 54.4 percent." Why 54.4 percent? Because, during past years on the Parisian market, the average offering price of the OPA's [Public Offer to Purchase] to companies was equal to the value of the prices for the last 3 known months, plus 54.4 percent. Therefore, there is no reason, Flornoy essentially believes, for the state not to pay this price to "buy back" the companies that it intends to nationalize.

Problem: this method of computation leads to a result, for the value of the debenture remitted to the former stockholders, clearly higher than that which is reached by applying the government formula. The difference, according to the stocks, fluctuates between 20 and 50 percent--which makes the holders of "nationalizable" stocks grind their teeth. The Council of State could thus recommend to the authorities "adjusting" the computation of indemnification to keep away any recourse to law regarding the value of the debentures that will be remitted to the former owners.

However, the government will not be at the end of its troubles. As for the threatened stockholders, they are not yielding. "We are not at all in agreement," they explain at the Union for Defense and Development of Private Shareholding (UDDAP), "with the fact of exchanging our stocks against debentures. This is contrary to all practices in all countries. And can you imagine a single board of directors that would accept having a repurchase made on the basis of a price clearly below the real value of the company?"

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COUNCIL OF STATE RESERVATIONS ON NATIONALIZATION

Paris LE MATIN in French 17 Sep 81 p 6

[Article by Roselyne Koskas]

[Text] Its committees opposed placing under the state's guardianship Suez and Paribas industrial assets and asked for adjustment for foreign banks. The Council of State, convened in plenary assembly, today must give its opinion on the government's plan to nationalize five industrial groups and almost the entirety of the banking system. Yesterday the various sections of the Council of State and, remarkably, the finance committee, which "advised" the government's text, have issued some recommendations that risk causing a resurgence of the debate on nationalizations. Indeed they challenge the principle of extending the public sector to the Suez and Paribas groups or, more exactly, to their industrial patrimony. And they express reservations about the threshold of 1 billion in deposits chosen to define the sphere for nationalization.

"The figure of 1 billion francs in deposits is arbitrary and involves discrimination in the treatment given to foreign and French banks." The opinion of the finance committee is clear. The government's plan cannot stop there: the threshold must be raised or the banks owned by foreign financial powers must be nationalized also. To increase from 1 to 3 or 4 billion francs the limit beyond which the French banks would be nationalized would remove from the sphere of nationalization only a few small banks (Bank Hervet, Bank of Brittany but also, of course, Bank Rothschild) and would place under public control only 90 percent of deposits --a slight difference. Contrarily, nationalizing the foreign banks would significantly change the government's purposes. More than 135 new institutions would be affected. This idea--which on Tuesday came from the finance committee of the Council of State--for the present has not won favor from certain experts at the Elysee and at Matignon. It has the disadvantage, it is emphasized here and there, of "making enemies for us" of the whole international banking community. "Surely we would see the appearance of lawsuits, contested cases and even--why not?--some receiverships of French bank property," remarks a bank specialist.

It is, however, on the principle of retrocession to the private sector that the state advisers are most opposed to the government. In its draft--in article 30--

the government indicates its intention not to keep the industrial assets of the Suez and Paribas financial companies and to return them to the market. They even say that a time limit--1 year--would be fixed, and that the transaction would be conducted by the former stockholders. "Why, in this case," the Council of State asks essentially, "nationalize that which should be handed over to a private concern? Why disrupt structures that, in a very short time, will have to reacquire their original character?" This reasoning, already well known, states that it would be better first to sort out the banking and industrial shares of Suez and Paribas that would have to be brought under public control, and leave all the rest to the former stockholders. Logical? This formula is, at any rate, spurned by certain colleagues of the president of the Republic.

"Most certainly, retrocession must be achieved. The prime minister, moreover, emphatically promised this. But retrocession must be modeled on two principles and on these two alone: we must not give back shares in the new public industrial sector (Paribas' shares in the CGE [General Electricity Company] or those of Suez in Saint-Gobain-Pont-a-Mousson, for example); neither must this remittance to the private sector serve as a pretext for the reconstruction of new business banks."

"Retrocession will be made without shock," adds another adviser. "Because we will return these shares gradually over a period of time, above all being careful not to concentrate too many of them in the same hands."

Thus the government's position remains unshakeable. "The suggestions and advice of the Council of State do not surprise us," adds a government expert. "They are stating hypotheses that we have for the most part studied during these last months. We are therefore going to study them again." These ideas do not at all question the plan to nationalize the CGE, Pechiney Ugine Kuhlmann, Saint-Gobain, Thomson, Rhone-Poulenc, nor even the banks and with them Suez and Paribas. These last two companies will barely be able to plan to study better the impact of nationalization on their international division and to negotiate better with their foreign partners the preservation of or separation from their joint subsidiaries.

"The Council of State," recalls a lawyer, "is the government's legal adviser. Its advice is not binding." The Council of Ministers, which will meet one last time on 23 September on the nationalization issue, will let it be known if the president of the Republic will be influenced by this advice or not.

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PS POLICIES DRAW CLANDESTINE IMMIGRANTS

Paris LE MONDE in French 8 Sep 81 p 46

[Article by Francois Ernen-Wein: "Hide-and-Seek Games in French-German Woods"]

[Text] Since the end of the month of July, the strip of forest bordering on the German frontier--in Bas-Rhin and Moselle--has been the scene of a rather strange migratory movement: at least 500 persons, mostly Pakistanis, plus Turks, sometimes with success, tried secretly to sneak into France. In spite of stepped-up surveillance by the air and border police and support from a CRS [Republican Security Companies] company, which came as reinforcement, the movement is continuing although it is declining somewhat. The authorities estimate the number of successful attempts at 30 percent.

In the region of Wissembourg, not a week passes without the gendarmerie or the customs people intercepting secret immigrants who have come from Germany and who, on foot, in groups of threes or fours try to cross the "green border." The Lauter, a little creek which, from the foothills of the Vosges Mountains, constitutes the border between these two countries, can be crossed in just one jump. Quite often, hikers pass from one side of the border to the other without even realizing. This is an ideal place for secret attempts.

For a month now the struggle has been underway here between German customs officers, French customs officers, and police officers, on the one hand, and the secret immigrants, on the other hand. All morning or late into the night, there is a tremendous hide-and-seek game going on through the woods and in the cornfields. Once the element of surprise is gone, the advantage is systematically on the side of the police officers. Those who attempt the jump almost never resist the authority. When one of the members of the group is taken, the others frequently surrender. These Pakistanis or Turks, who hope to put an end to their precarious situation in Germany by going to France, are then taken back to the border and turned over to the German customs officers.

On the Way to Paris

This movement began when the FRG press announced two decisions by the French government: on the one hand, political asylum granted to Mr Bani Sadr, and, on the other

hand, "the extreme good will" on the part of the administration regarding clandestine workers. A rumor originated in the Pakistani community in Germany: hope sprang up and grew and departures to France began seriously on 27 or 28 July. For those who are most often political refugees in the FRG and who are more or less under house arrest, the temptation is great to join those who seem to have more clemency. This is especially true so long as their provisional status in Germany prevents them from engaging in any wage-earning work in return for an allowance of DM 500 (about Fr 1,300) paid by the Bonn government.

After successfully getting across the border in the northern part of Alsace, the destination selected most often is Wissembourg, and then, by train, to Strasbourg, and finally to the Paris region which in almost all cases is the final destination. As a matter of fact, none of them can, in all logic and for the time being, hope to improve their situation in France. The terms of the ministerial circular are very clear: without even going into detail, it establishes, as a prior condition, presence in France since at least 1 January 1981. But even though there are some disappointed returnees who go back to the FRG, the consequences of this rumor continue to make themselves felt. On top of all that, the penetrability of the border in the north has been reduced so that for the past several days we have been observing attempts in the southern part of Alsace, via Switzerland. Two vehicles were intercepted while they were trying to pass a post that was very rarely used; this happened at 0600 on last Thursday, in Werntzouse, in Sundgau (Haut-Rhin). In the vehicle were eight Pakistanis and two Indians who were trying to take their chances without visas. They said that they were coming in search of work in the Lyon region.

One of the characteristics of this movement is that it is mostly spontaneous. There are probably no underground railroads, as it were, such as they are frequently found among clandestine people. The job of "line passer," which is sometimes done by certain taxi drivers in border towns in the FRG, is also a rather marginal thing. In return for a fee between Fr 500 and Fr 2,000, the cabs pick up emigration candidates in the big German railroad stations in the region. They take them to the "green border," pointing out the way to them and then they pick them up in France again after having gone through a guarded frontier post, empty and in the most legal fashion in the world. It is however possible that the activity of these "taxis" diminished considerably since the gendarmerie intercepted one of them while carrying three Pakistanis who had just crossed the Rhine on board a canoe at Celtz (Bas-Rhin) on 6 August. The frontier runner is now being prosecuted by German justice.

While the existence of border checks seriously reduced attempts at border crossing, these attempts nevertheless do continue. Those "super" secret people in effect, after successfully crossing the border, can hope that the French authorities will consider their case because they did manage to cross the border and because of their numbers. This would explain why other groups of immigrants in Germany have for several days now been expressing growing interest in France, after the Pakistanis and the Turks.

RIGOUT: YOUTH UNEMPLOYMENT, TRAINING, PLACEMENT

Paris L'HUMANITE in French 24 Sep 81 p 4

[Interview with Marcel Rigout, minister of vocational training, by Bernard Frederick; date and place not specified]

[Text] Unemployment, particularly among young people, and the country's future as well make vocational training a basic issue. In answering our questions, Marcel Rigout here elaborates upon what he intends to do now and later to help give every young person a trade and a job and to train "the workers of the year 2000."

Within the government, every effort by the Ministry of Vocational Training is aimed at this objective: "to someday eliminate the ossifying division of tasks between an 'elite of decisionmakers' and 'a mass of order followers.'"

[Question] At your press conference on 3 September, you announced that this autumn would see the opening up of 55,000 trainee positions. It has been said here and there that what they amount to are "Raymond Barre trainee jobs" without Barre. Do you agree?

[Answer] No. We absolutely do not want to set up "parking lot trainee jobs" as was done under the previous regime, and our proposals are in no way "corrected copies" of exercises done by the previous government. Our concern is to enable everyone to have a job. That is why my first task was to propose immediate measures for meeting the expectations of hundreds of thousands of untrained young people who are looking for a job--often their first job. It should be realized that 200,000 young people leave the school system every year without training.

So we decided to make 55,000 trainee jobs available this fall.

In order to properly meet the needs of youth training, there will be three types of training:

First, 15,000 positions will be set aside for young people with no training who are the victims of unemployment, who are faced with many social problems, and who are on their way to dropping out. We are offering them long-term training programs for

vocational placement and social integration that may include a second stage leading to certified qualification.

The events at Venissieux illustrate the urgency of such a measure. And 15,000 positions are a first step. My objective is to double or even triple that number as soon as possible. Forty thousand positions will be reserved for young people leaving the educational system with some degree of general training but without complete vocational training.

This would apply, for example, to young people with a BEPC [Elementary School Diploma] or a baccalaureat level. With adaptations to suit the individual's particular level, those positions will enable the young people to acquire a certified vocational qualification. We also intend to go much further in the future as far as the number of positions in those training courses is concerned.

Lastly, special training courses will be provided for young people with vocational qualifications who need to adapt to a particular job.

Of course, the 55,000 training positions that I have just mentioned are not enough. They are part of the whole series of employment measures decided on by the government last summer. All those measures combined will involve 650,000 young people, including in particular aid for the hiring of 125,000 apprentices and training assistance in connection with 100,000 on-the-job training contracts.

This represents a sizable effort by the entire government. It is resolutely aimed at training people and putting them in jobs throughout the rest of this year and the first half of 1982.

[Question] You have said that you want to set aside 60 percent of the trainee positions for women. Why such a quota?

[Answer] That is a decisive political decision. It is in response to a very fair request by Mrs Roudy, minister delegate to the prime minister in charge of rights of women, and it fits in perfectly with our concerns. There is nothing demagogic or voluntaristic about it.

Participation by women in training courses is currently very low. In 1980, they accounted for 29 percent of all trainees (excluding the employment pact). So there is still a long way to go. The reasons for that low rate of participation are of various kinds: there are family or financial circumstances and problems related to inadequate training or the hours involved. Moreover, within the firms, the employers have organized most of their training programs with executives and supervisors in mind. So the mainly and clerical personnel--that is, the women--have not been given the opportunity to benefit from vocational training. The lowest level of participation by women, 10 percent in 1980, is found in programs financed by the firms.

Access to vocational training is every individual's right, and this means that we must adopt specific measures on behalf of women to remove the numerous obstacles that hinder them. It is also necessary to increase the range of skilled training available to them.

[Question] What connection is there between the plan of action thus adopted since last summer and the plan presented to Parliament by Pierre Mauroy last 15 September?

[Answer] Here I would like to explain an important point: the measures presented to the National Assembly last 15 September on behalf of the government are in addition to the initial plan of action that the government has decided to call its Plan for the Future of Young People.

It is extremely important to bring it to a successful conclusion--to insure its success.

Concerning the new measures announced by the prime minister on 15 September, I will dwell on only one point: the placement of young people between 16 and 18 years of age. This involves moving toward the establishment--parallel with the public educational system and in close collaboration with it--of vocational training schools that would employ totally new and decentralized formulas for training young people between 16 and 18 years of age who are already out of school and who have no skills.

[Question] Can you explain what the vocational training schools will consist of?

[Answer] That is important, and it is necessary to be clear. At the request of the government and in close cooperation with the Ministry of National Education, we in the Ministry of Vocational Training are working to come up with specific proposals on that point.

What is involved? Every year for the past 7 years--and again last June--200,000 young people have left the educational system without any vocational qualifications and often with a very low level of general education. That is one of the dramatic and underlying flaws inherited from the rightwing governments.

We support the determined effort by the Ministry of National Education to combat "scholastic failure" and reform education. This is extremely critical. Because in the long run, we must succeed in "drying up at the source" that stream of young people showing up on the job market with no skills. That is why the government plan provides for a considerable effort aimed at technological training through a supplementation and reorganization of the school map. But we must also adopt exceptional measures for unskilled young people between 16 and 18 years of age who are already on the job market. They cannot wait.

The vocational training schools will in no way be a sort of "educational system B." And they will not encourage young people to leave the school system early. On the contrary, by mobilizing all the existing training centers, and notably by mobilizing the entire potential of the public school system and developing private efforts that may be put to work by communes, regions, firms, professional associations, and so on, it will be a question of offering those teenagers a flexible framework within which they can acquire vocational training in accordance with a pedagogical system that combined theoretical training with on-the-job experience.

[Question] Are all of the measures you have just mentioned part of a plan for the longer term?

[Answer] Of course. As regards the vocational training of young people in particular, I have made a number of suggestions to be included in the 2-year interim plan that will be drawn up by the government.

This involves making it possible for all young people to acquire the knowledge and know-how they need for successful vocational placement and social integration. It is therefore a question of having a policy that is aimed resolutely at qualification and stable employment.

We therefore want to do the following in consultation with the other ministries:

1. Reform the apprentice system, which remains a specific form of vocational placement.
2. Replace the Legendre Law on alternating training programs with a legislative framework corresponding to the needs of young people.
3. Develop three major types of vocational training programs: training for social reintegration, qualification training, and preparatory training for the trainee's first job.
4. Modify the on-the-job training contract to allow the possibility of a first stage in which the labor contract would be for an indefinite period of time.

We also want to develop or assist in the development of more original initiatives. With the nationalizations, for example, there is going to be a vast group of state-owned industrial and commercial enterprises. So we will suggest that contracts covering several years be concluded between the government and those enterprises for accepting, training, and placing a regular number of young people. And going further, we will suggest that the Ministry of National Education move toward innovative experiments with the LEP's [expansion unknown] or general vocational lycees associated with large state-owned enterprises.

At the same time, it is a matter of tackling indispensable issues concerned with equipping France with modern vocational training tools. For example, it is advisable to reorganize, and in some cases recast, many technological diplomas and recognized qualifications in order to keep vocational training up to date with today's technological changes.

For the young people, in short, it is a question of taking up what I have called the "challenge of qualification" by reducing the burden we have inherited--and this will include exceptional measures--and by restructuring--in close liaison with the reform of the school system--the conditions for high-quality vocational training for all young people.

Question: Is there a connection between your proposals and the report that Professor Schwartz is going to submit to the prime minister very shortly?

[Answer] Professor Schwartz received an assignment from the prime minister: to submit a report on studies and proposals for the vocational placement of young people between 16 and 21 years of age. He has done his work in complete independence, and

that is as it should be. He has received help from my associates whenever he has asked for it. He will submit his report very shortly, and I have no doubt that it will contain a wealth of ideas and proposals. It will be up to the government to make the political choices out of what it accepts, and then the ministries concerned will have to draw up the best practical arrangements for putting them into practice. It will all be done within the framework of the guidelines set forth in the economic and social policies already established in the government program. So it will constitute a not inconsiderable enrichment.

[Question] Is a special effort going to be made on behalf of vocational training for adult jobseekers?

[Answer] We are currently studying all the arrangements with a view to better mobilizing the entire training apparatus existing in France, because a training effort has its place in the battle for employment. We will help to train jobseekers wherever new hiring or new activities make the training of workers necessary. Incidentally, a special effort must be made to help the unemployed who have no skills. The 1981 finance bill, and later the 1982 budget, will help us to increase the volume of training activities in comparison with previous years.

We are also concerned to improve conditions for trainees. Under the 1982 budget, we will be able to improve the pay of trainees, who currently receive at least the SMIC [Interoccupational Minimum Growth Wage].

[Question] You have established three task forces that will make proposals for reforming and reviving adult vocational training. How are they getting along?

[Answer] They are in full swing. The first report on their work may be presented during the second week of October, and you can understand that I do not want to anticipate the conclusions of a dialogue that is still going on.

But I can point to a few major areas for reflection.

The wage earners received the right to continuous education in 1971, and it is now necessary to go on to the national duty to organize and really open up that right. This will depend on systematic action by the government and the enterprises to promote lengthy training that will really impart skills and lead to better jobs. Moreover, that effort must be part of a determined struggle against social inequities. Industrial workers and the least skilled workers are currently the worst served. That must change. It is necessary to move toward a genuine social advancement of labor and of the skills of female workers and clerical employees in keeping with technological changes. It is necessary to prepare the 20 million productive workers that France is going to need.

The second element is economic democracy. In a firm today, the management prepares a training plan and simply submits it to the works council for the latter's opinion. Here I want to state my conviction that if we want new French growth, economic democracy will have to be not just an end, but primarily the means of achieving it. What this means specifically, to begin with, is that the vocational training policy must be actually prepared through a contractual process in which the workers and their representatives will have the real means for influencing the content of the training

activities suggested and then adopted. This is not a matter of the "right of veto." It is necessary to reach the point where the workers exercise their right to be active partners in the actual drawing up of the plan.

The third element is financial transparency. Vocational training now represents considerable sums of money that are provided through the government budget and the tax of 1.1 percent on firms. We must achieve better control over the utilization of those funds. In my opinion, that can be done through more systematic worker participation in the management of the organizations collecting the funds. Better utilization of the funds now being collected would in itself make considerable progress possible. But there are other measures to be envisaged in the firms, the departments [political subdivisions], and regions.

Then there is the problem of training instructors and that of their status. In the diversity of training organizations, the status of most instructors is precarious. I trust the Ministry of National Education to reduce their precarious position in the schools under its control. I also encourage the union organizations to negotiate one or more collective agreements that will clearly improve the training and the working and job conditions of instructors in private organizations.

[Question] Aren't the current disparities in training structures a handicap? What place does the public training system have in your plans?

[Answer] There is currently a very great diversity of training organizations. That may be an asset. But the coherence between those structures must be better organized.

As far as the public service is concerned, the problem is one of fostering its role at all levels. It must not be afraid to compete with other structures. But the main problem is one of giving the public structure the means to play its full role in every area of initial and continuing vocational training, including training at a high technological, scientific, and industrial level. In my opinion, such advanced training must have its place in the universities.

There is also a unique organization called the AFPA [National Agency for Adult Vocational Training]. It will be advisable, under the prompting of the Ministry of Labor, to reform and decentralize that organization. The AFPA must play an important role in the training not only of jobseekers but also of wage earners by adapting its activity to the needs of the job pools and of regional development. It must be the subject of an independent reform as a training organization.

I will add, lastly, that we must seek new coherence between the training organizations and their activities. In particular, that coherence could be improved by the concerted preparation of plans for vocational training by region. We are currently studying that question.

[Question] Vocational training is often criticized for being utilitarian--for not making enough room for general culture and the training of the citizen. Do you agree with that?

[Answer] It is true that the concept and orientation of vocational training under the successive governments of the former regime made it simply a tool for adapting

the worker strictly to the organization of production. There was no question of providing training capable of equipping a person to develop his aware participation in his work, but rather to train him as quickly as possible within the frequently narrow confines of what was directly profitable to the firm. That concept has not been abandoned, incidentally, and some company heads continue to follow that path today.

But that is an erroneous way of thinking, and it is not the choice of the Ministry of Vocational Training. No, as far as I am concerned, I resolutely choose qualification--that is, quality training with a lofty content.

The practical application to production of the rapid advances in science and technology requires the training of ever greater numbers of highly qualified workers capable of playing a new role in all the processes. Economic efficiency and the future of the country impose such an orientation on us.

But we are also making that choice for human reasons. The fact is that we must do away with the specialized worker who is riveted to his assembly line for life, has no prospects for the future, and is doomed to carry out the same repetitive, exhausting, and dangerous tasks.

It is actually a matter of integrating vocational training, with its high scientific and technological level, into the building of each individual's personality. So it is necessary to do away with the outdated and crippling view that sanctions the gulf between "general culture" and "vocational training."

The modern world calls for a thoroughgoing revision of what is called general education by including with it the whole of technical and technological training. In return, vocational training must be capable of providing the workers with a broad range of knowledge--which is, incidentally, the condition for acquiring solid qualifications.

[Question] You have stressed several times the links between vocational training and economic growth. Specifically, how do you envision the establishment and strengthening of those links?

[Answer] Let us be clear: either the new French growth that we want will be centered on a decisive effort for training and high-quality and mass vocational training and qualification--particularly for all productive workers--or it will not. And we are behind in this area, not only in comparison with certain socialist countries such as the GDR, but also certain developed capitalist countries.

Specifically, I see this effort as moving in four directions:

1. A total reform of vocational training for young people. I have already discussed this point.
2. The development of new methods of vocational training linked to the creation of new activities. Experiments are already underway in a region such as Rhone-Alpes, and they must be expanded.
3. The concerted establishment, within the framework of the plan, of voluntary actions by occupational branch and in keeping with today's technological changes. Those

actions must give priority to unskilled industrial workers such as the specialized workers so that they will be able to take their place in new industrial and technological developments.

4. A new dimension of social responsibility in vocational training. We want the workers to be able to participate in all aspects of their firm's operations, discuss the application of new investments, take part in drawing up new forms of work organization, and so on. We must engage in a step-by-step preparation of the future participants in self-management. This depends specifically on the development of new aptitudes, because it will someday be necessary to eliminate the ossifying division of tasks between an "elite of decisionmakers" and a "mass of order followers." That is the path, both inevitable and exciting, to new French growth.

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CSO: 3100/38

PARTIES REASSESS POSITIONS AFTER ELECTION RESULTS

Bondevik: Christians Seek Cooperation

Oslo AFTENPOSTEN in Norwegian 6 Oct 81 p 13

[Text] The Christian People's Party must define itself as a party of ideas while at the same time behaving in a realistic political way to get as many of its policies as possible carried out. The Christian People's Party will take its share of the responsibility for following up in the new parliament on the ideas agreed on by the Conservatives, the Center Party and the Christian People's Party in their joint statement on the government's long-range program. The party's parliamentary leader, Kjell Magne Bondevik, made this clear at a meeting in Tune, Ostfold, yesterday.

Yesterday's speech was the first made by Bondevik since the election and in that context he felt it was appropriate to outline the future tasks and strategy of the Christian People's Party. He made it clear that in addition to the party's own program they would follow up on the joint statement. Bondevik expected the Conservatives would do the same. In Bondevik's view this would provide a solid basis for a good policy backed by a Storting majority in a number of areas.

"The Christian People's Party will not try to overturn the Conservative government. On the contrary we will be prepared to cooperate with that government on the basis of the joint statement to get as many of our policies as possible carried out. Of course we cannot give any 'blank check' to a minority government to do anything it wants to outside the framework of what we agreed on in the joint statement.

"However I am banking that a Conservative government will be wise enough not to provoke the Storting majority in areas in which it knows this will create problems. Therefore cooperative conditions in Storting in the future will depend to a large extent on government plans," said Kjell Magne Bondevik.

On the basis of the joint statement Bondevik pointed to ten issues where he anticipates the Conservative government will take the initiative:

Bills must be submitted to Storting on amending the abortion law to give better protection to the unborn. At any rate bills must be presented on more numerous and more effective measures to prevent abortion.

Changes are needed in family taxation with the aim of improving the economy of families with children.

The earlier Storting debate on the alcohol report should be followed up. And the reforms in the state church agreement should be followed up too. The Norwegian State Church must have better and freer working conditions--spiritually, economically and administratively.

The status of private schools should be secured.

Changes should be made in nursery school policy, including the addition of a Christian objectives paragraph to the law.

The NRK [Norwegian Broadcasting Corporation] monopoly should be loosened up.

More relief is needed in company taxes to insure full employment.

Plans should be made to reduce growth in the energy consumption sector with the goal of stabilization by the 1990's. There should be a new Storting report on oil policy that would provide among other things a basis for re-evaluating the extraction tempo set by law.

Norwegian aid to developing countries should be stepped up.

Of the role of the Christian People's Party in Norwegian politics Bondevik said that the party would primarily be a party of ideas but at the same time a party that wants to have as much of its policy as possible carried out.

Bondevik means by this definition a party that plans its practical policy on the basis of a total ideological foundation. Bondevik said that there is no doubt there will be a great need for such parties in Norwegian politics in the future.

Liberals' Dilemma: Cooperation, Profile

Oslo ARBEIDERBLADET in Norwegian 10 Oct 81 p 6

[Article by Olav Eilertsen]

[Text] In the shadow of the two "big" middle parties the Liberal Party also suffered a sharp decline in this election. Seen in relation to expectations and prior support in opinion polls the defeat for the Liberals was both larger and more surprising than it was for the two other middle parties.

In the 1977 Storting election the Liberals received 3.2 percent of the votes, in the county council elections of 1979 the party went up to 5.3 percent--but now it has slipped back to the 3-percent range with 3.9 percent.

Therefore in his summing up of the election results in AFTENPOSTEN Helge Seip wrote of the middle spectrum parties: "Hardest hit of the three was the Liberal

Party which lost a quarter of its votes and is now close to the 3.5 percent level it had in 1973. Votes at the 1979 level would have given five seats, now the party will have only two."

And people within the Liberal Party do not conceal the fact that the election was a real disappointment. A support level of 4.5 percent was seen as a desirable minimum before the election and in a commentary after the election the party chairman remarked a little bitterly: "The way things are developing we'll have to be grateful for the status quo--we came close to being eliminated from the parliamentary map and that would have been a catastrophe for the party."

Reasons

What are the reasons why the Liberal Party came so close to this catastrophic situation in the election? The party itself puts a large share of the blame on the fact that the Gro-Kare debate dominated the election campaign far too much. There was a polarization between the two big parties and the Liberal Party fell outside. In addition the party feels Liberal campaign moves received too little attention in the press and on the broadcasting media.

But at the party office it was also admitted that the Liberal Party's unclear stand on the government issue probably had an effect on voter support. "We probably didn't clarify this properly to the public and perhaps we could have worded our stand more clearly," said Hans Hammond Rossback himself in a moment of self-recognition after the election.

Middle Alternative

The background is that for too long the Liberals trumpeted the so-called middle alternative as a government possibility. This did not have great credibility when we knew at the same time that both KRF [Christian People's Party] and SP [Center Party] had pledged to negotiate with the Conservatives on forming a government, a prominent Liberal says now. When the party was finally forced to take a stand on the existing government alternatives it came down on the nonsocialist side. The main argument for supporting a government that would be dominated by the Conservatives was that "the Labor Party needs to be replaced because it has been in power too long." This argument made little impact on potential voters and far into the party's own membership ranks the reaction was strong to this indirect Liberal support of the Conservatives.

Green Policy

Some commentators also feel the green policy is on the way out and that this was a major reason for the Liberal election defeat. Others feel the opposite, that the Liberals put too little emphasis on the specific "green" element in their campaign, thus falling between two stools. It is quite clear that the party's profile in areas such as industrial and oil policies emerged poorly in the campaign. "Indecisive Liberals" popped up again in political commentary columns. In this connection one cannot avoid some debate on personalities. Party chairman

Hans Hammond Rossbach had a hard time gaining re-election in his county and the decline there was very clear. Both inside and outside the Liberal Party there are now many who think the party chairman conducted a poor campaign. He never succeeded in recovering from the gaffe on TV at the beginning of the campaign when he was stripped by Bjorn Hansen of "Election Review."

Strong forces within the party are already working for the succession of Odd Einar Dorum as party chairman and TRONDERAVISA has supported his candidacy on its editorial page. Dorum was not re-elected to Storting this time but he has stayed at Lovebakken for the time being as group secretary. There is much to indicate that he could be the one to save the pieces that are left of the party.

What Now?

It is characteristic of the Liberal situation after the election that the party has been entirely outside the media picture. And it is here that the Liberal Party's biggest headache lies at the moment, as far as its leaders are concerned. Even though the party is returning to Storting with the same number of representatives its influence there will be substantially weaker. In an opposition dominated by a strong Labor Party with SV [Socialist Left] and the Progressives in the wings the Liberal Party will definitely be a parliamentary dwarf. The Liberal Party itself believes the solution to this dilemma will lie in placing more emphasis on major differences. Their working style in Storting must be revised and work on details must be turned over to other parts of the party apparatus. The Green special issues will return to the spotlight. Within the party the dominant question now concerns the view that the reason for the election defeat was a more diffuse green profile. It was taken too much for granted that people were aware of the party's green profile.

Spokesmen for the party also think the so-called middle alternative should be dusted off again. They think that both KRF and SP must have burned their fingers sufficiently on their cooperation with the Conservatives. "Therefore we are viewing the possibility for a strong middle cooperation in the time ahead with great optimism," leading figures maintained.

Liberal Stance

The party does not flatly reject more formalized cooperation with the Labor Party either but for now it will wait and see. The party's stand on this matter will depend entirely on how the other middle parties evaluate such cooperation. All in all it is quite clear that the Liberal Party must take into account its relations with other parties in the upcoming parliamentary session. The party depends on cooperation to get its views heard, but at the same time it must be careful to present the profile of an independent party. How the Liberal Party handles this balancing act will determine the party's fate in the next election. The "catastrophe" Rossbach referred to was not far away in this election and could come closer in the next one.

Center Party Lost Third of Support

Oslo ARBEIDERBLADET in Norwegian 30 Sep 81 p 6

[Article by Nils Ottar Ask]

[Text] The poorest election result since the war.

This harsh fact will be laid on the table when the Center Party's national committee gathers this weekend to discuss the political situation after the election. It is small consolation that the party lost only one seat in Storting compared to the last election. It is a fact that the joint lists were what saved the party from falling below 10 representatives.

Of course the national committee and party deputies will agree that all forces must now unite in winning back voters but how this should be done--which strategy to choose--is a question on which there are divided opinions in the ranks of the party. The disagreement concerns the party's relationship to the Conservatives.

The decision-making organs of the Center Party tied themselves to the Conservatives before the election. And in the unsuccessful government negotiations after the election the Center Party expressed willingness to go along and constitute the parliamentary basis for Willoch's straight Conservative government. But even though the Center Party has already committed itself to act as a supporting player to the Conservatives in this parliamentary period there are things that indicate that the earlier demands of the "Hedmark guerrillas" on detaching the Center from Willoch & Company will be revived in some parts of the party. The newly-elected Center representative from Hedmark, Ragnhild Queseth Haarstad, said in an interview with ARBEIDERBLADET last week that the Center decline was due primarily to the strategic tie with the Conservatives.

"I think we have reached a point when we should take time for a few rounds of discussion on strategy. If we want to revive the Center Party and the middle spectrum we should hold these discussions now. We must discuss our choice of routes," Haarstad emphasized.

Lurking Danger

Statements from other SP delegates show that Haarstad is not alone in this belief but the party's supporting role in relation to the Conservatives, already decided on, will reduce the chances of doing much in a concrete way. The party must take its political credibility into consideration and therefore it cannot turn its back on what it has promised. Party chairman Johan J. Jakobsen & Co. probably see the lurking danger--that many voters could get an unclear concept of SP and therefore turn their backs on the party. The Liberals in particular will probably see the opportunity here and utilize the situation.

Dangerously Close

Center voter support in this election was 6.7 percent--a decline of 1.9 percent from the last Storting election. SP has not had such a low level of support since the war but the loss of seats was held to only one in comparison with the 1977 election and thus the party will have 11 representatives in the new Storting. But three of these 11 seats are last-place seats and two would probably have been lost if the party hadn't been part of a joint list.

If one looks at the percentage of votes one sees that the party is dangerously close to the limit that would have produced a sharp slide in the distribution of seats.

Unable to Hold On

Why the Center Party is losing support is naturally a question party officials are pondering and trying to find answers to. According to the basic material of the political opinion polls it is known that half the voters come from farms and villages. The other half is evenly distributed between salaried employees and blue-collar workers. The surveys also show that the salaried employees and blue-collar workers were responsible for the steady increase the party had until the top Center election in 1973 which resulted in 21 representatives in Storting. And this gain was not insignificant in view of the fact that the farm population declined by two-thirds over the last 30 years. The EC struggle was undeniably a good time for SP with respect to voter support. But after the EC period SP was unable to hold onto its new voters. They went back to their old parties, primarily the Labor, Conservative and Liberal parties and the 1977 election gave SP only 12 representatives. And today it is again mostly the primary branches that give the party its most loyal group of supporters. It is estimated that SP today has half the potential vote in the primary branches.

Which Strategy?

The SP leadership is well aware that the party has no future in becoming a more pronounced farmers' party again. The electoral base in the primary branches is declining steadily. The strategy will probably be directed toward voters who supported the party from the middle of the 1960's to the middle of the 1970's. Surveys also show that many who left the party after that time still list SP high on their list of second choices.

But the dilemma is how to get hold of these people. The three middle parties, SP, KRF and the Liberal Party, all used different strategies during the election campaign. And all declined in relation to the election 2 years ago. The middle spectrum parties fell between two stools. They were unable to make an impact with their issues. The voters regarded the election as a choice between a continued Labor government and a Conservative regime.

Clear Demand

The Labor Party's feelers to the middle parties on the possibilities of future co-operation are apparently not being followed up by SP. People there point out that the party went into the election on the basis of replacing the Labor government and that as part of the Conservative government's parliamentary base the party could not turn around in this period. But both SP and KRF are making clear demands to the Conservatives on getting something back in return for being supporting characters. And by this the middle parties mean it is up to the Conservatives to see to it that the parliamentary base for the Willoch government lasts out this election period.

Center Party Awaiting Conservatives' Policy

Oslo AFTENPOSTEN in Norwegian 5 Oct 81 p 5

[Article by Kjell Harberg]

[Text] Hamar, 4 Oct--"We are going into an exciting political period. We will wait and see what happens." The political strategy of the Center Party is that simple, at least in the short run, as formulated by party chairman Johan J. Jakobsen after the party national committee meeting in Hamar last weekend. The party is leading up to this wait and see position in the conviction that although the immediate future of the Center Party naturally depends on what the party itself does, what other parties do may be even more important. And this applies first and foremost to the Conservative Party in its government position, according to the predominant thinking among Center county chairmen, county secretaries and its new Storting group.

Now the debate in the Center Party--at least when the word cooperation is brought up--is not entirely without swordplay. But despite the efforts of some districts to animate the party behind a strategy at this point that is based on getting rid of any ideas of government cooperation with the Conservatives before the next Storting election, there is no doubt that party chairman Johan J. Jakobsen has the vast majority of the national committee behind him when he now approaches a parliamentary session in which the Center role will be to demonstrate "objective cooperativeness toward the ruling party," as Jakobsen himself put it.

In the national committee meeting debates this time there was a slight geographic shift from the east to the west side of Mjosa when it came to the center of opposition. In the forefront of the move for a new strategy "independent of the Conservatives" stood newly-elected Oppland representative Lars Velsand who naturally received praise from likeminded colleagues in Hedmark and some other areas, including the Center press. But according to Jakobsen's own summing up of the 2 days of debate the national committee as such made it clear that the Center Party pledge to help the country gain a nonsocialist government is binding even in a postelection period dominated by disappointment and dejection over the election

results. But, said Jakobsen, the party is now prepared to shrug off this disappointment and start work in preparation for the next crossroads for the party: the municipal and county council elections 2 years from now.

When Johan J. Jakobsen after the national committee meeting confirmed that the "analysis" of the election results, the government negotiations and the future prospects differed somewhat this also means that different views came up at the "mini-congress" on what the Center Party should have done in the government negotiations. Only a few days after the election the Hedmark section of the party called for national committee discussion with the aim of preventing the Center Party from going into a three-party government. On the other hand a handful of speakers favored the idea that the party should have considered the possibility of entering a two-party government with the Conservatives simply to utilize the political platform cabinet membership can provide. But a clear majority of the national committee backed the party chairman's line--that the talks broke down because of the Christian People's Party's stand on the abortion law and the Center Party had no choice but to take that into consideration.

How will the Center Party act toward the Conservative government? As mentioned the key phrase is "objective cooperativeness" based on the commitment the party feels to the formation of a nonsocialist government. But Jakobsen also stressed another commitment--to the Center program and the 165,000 voters who still remain with the party. This commitment, Jakobsen said after the meeting, was "strongly underlined" in the debate.

And the party chairman described the future "working program" like this: "We cannot commit ourselves today to fixed solutions in regard to the government question before the next election. We must gain experience in the new situation that has arisen. Much depends on how the cooperation will function but after the debate by the national committee the leadership is giving no signals on a new strategy. We'll have to wait and see."

But in some areas the Center Party won't wait. The national committee approved a statement that the North Norway railroad line should be extended and that funds must be set aside in next year's budget for such things as preliminary planning work. A challenge to the coming Conservative government since incoming Traffic Minister Inger Koppernaes has already indicated opposition to extension of the line. But this issue will not be unopposed in the Center Party. It is known that the party's leading traffic policy man and chairman of the traffic committee for many years, More and Romsdal representative Arnold Weiberg-Aurdal, agrees with the new cabinet minister and disagrees with his own party.

Next, according to Jakobsen, the Center Party will put all its efforts into changing the election law or preferably the constitution with respect to Storting elections. The minimum requirement is that the first distribution figure in calculating seats be set lower and the party also likes the system of ballot alliances rather than the current system of joint ballot lists.

Brundtland Announces Labor Party Measures

Oslo AFTENPOSTEN in Norwegian 5 Oct 81 p 3

[Text] "We must renew the Labor Party and we will set our goals high--200,000 members. It is now 'on the level' that the Conservatives have more members than we do," stated secretary Ivar Leveraas in a conversation with AFTENPOSTEN after the Labor Party's national committee meeting. Leveraas told us that they are aiming at making a big showing on 1 May 1982 under a joint Nordic slogan. "A fine manifestation of the labor movement and of our emphasis on Nordic cooperation. In this country we in the opposition will have the clear objective of regaining government power in 1985.

"Now we have assessed the postelection status of the Labor Party. Our policies didn't get through adequately and didn't make enough of an impact," Leveraas said.

"We have the political basis in the party's program and in the Harlem Brundtland government's long-range program. We will solve the organizational aspect with an organization that covers the entire country, among other things--we're only eight towns short of this goal! We must be on location when new communities are set up, we must go out to job sites and places where young people gather. In addition we will put more emphasis on internal education--and on our external profile both centrally and locally. Now we're turning our gaze toward the 1985 Storting election with the national congress and the local elections in 1983 as important 'mid-point station.'"

What would he emphasize as weak aspects of the party?

"We must realize that our entire organizational form, our working pattern and our methods of communication were established under entirely different conditions than we have today. Now people have many more available activities than they did in the past. If people are to become involved in organizational and political work we must have something to offer--something that appeals to the needs of the individual to be able to participate in a fellowship and to be heard.

"In addition, as I mentioned before, it is weak when the country's biggest 'voter party' is no longer the biggest 'membership party.' We're not good at looking people up outside our own meetings. We have big unsolved tasks with regard to young people, employees in service branches and people in the cities.

"I might add to this that the election results were a powerful reminder that the future strength of the Labor Party will be decided largely by the way in which we manage to solve the party tasks in the cities.

"Another decisive 'battle' will be fought over young people, as party chairman Gro Harlem Brundtland pointed out. We must make an effort there," said Leveraas, "and make a special push at schools, high schools, universities and military establishments.

"Of course we must also make a stronger impact on the job based on close cooperation with the union movement at all levels. I think the task will be much easier when people see that in practice the change in government will mean among other things that directors of the Industrial League and the Shipowners' Association move into the ministries in roles once held by LO [Norwegian Federation of Trade Unions] deputies."

In other words, the Labor Party is attacking the job "hammer and tongs"--with a set cohesive leadership?

"I don't think anyone will deny later on that 8 years in the government position--as a minority--has had negative effects on the relationship between the party and its members, among other things because the government became the political fulcrum. But nothing is more destructive to this relationship than internal unrest. Now we will plan all our work in such a way that a basis for such unrest does not emerge again, and we'll be working in close and open cooperation with the union movement. We must utilize our chance to revitalize the party organization, to inspire, involve and activate people.

"And politically we're going to work in a period in which nonsocialist cooperation fell apart at the very beginning, in which the nation will be ruled by the first Conservative government since 1928. We're starting our work in the firm conviction that the best breakwater against a Conservative wave is a Conservative government!

"But even though we know better than to underestimate the value of the fiascos and woes of others the only thing we can really rely on is the fruit of our own work and efforts.

"Therefore I won't give party deputies and members any prospect of a postelection rest," the secretary of the Labor Party pointed out. "We're facing hard, systematic and goal-directed work, politically and organizationally."

What about the suggested joint Nordic May Day demonstration in 1982?

"The occasion is that the Nordic Labor congress will be meeting in Sandefjord next summer. The agenda will be tied of course to our tasks and challenges in an uneasy world. The Nordic party secretaries feel the same spirit should mark May Day throughout the Nordic region, including a joint slogan for all Nordic lands. At the same time this will demonstrate our will when it comes to Nordic cooperation!"

Vow From Liberal People's Party

Oslo AFTENPOSTEN in Norwegian 5 Oct 81 p 3

[Text] The Liberal People's Party will not be disbanded at this time. Proposals to that effect were not presented during meetings of the party's central and national committees in Oslo on Friday and Saturday.

Party chairman Gerd Soraa told NTB that the national committee had asked the central committee to appoint two committees to deal with political strategy and organizational matters.

These committees will prepare the party's work and the aim is that their recommendations will be discussed in detail at future national committee meetings.

6578

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SOCIALIST CONGRESS CONCLUDES ON APPROVAL OF WAGE-EARNERS FUND

Palme Changed Stand on 'Zone'

Stockholm SVENSKA DAGBLADET in Swedish 30 Sep 81 p 2

[Article by Carl Bildt: "Palme, the 'Zone' and Our Threatened Security"]

[Text] In a long, moderately uninteresting but well-meaning speech by Olof Palme at the Social Democratic party congress on the so-called peace question, a point was included which is worthy of further discussion.

We have known for some time that the Social Democrats stand behind the demand for a Nordic nuclear weapons-free zone without any reservations. The fact that they are going to push that demand, with big gestures, in an attempt to take over the leadership and make use of the so-called peace movement which now is being built up, with links to various leftist groups, was also nothing new.

But what was new was the fact that Olof Palme now was willing to admit what he had denied previously--namely, that a Nordic nuclear weapons-free zone could be inconsistent with the neutrality policy we have pursued up to now.

Previously, when other people pointed out that certain types of commitments which could be included in an agreement on such a zone were hardly consistent with the interpretations we had given to the policy of neutrality up to the present, their statements were received with a snort of derision. Now Palme suddenly admits that that is the case, but he naturally hastens to add that other zonal arrangements would have to be chosen.

It should have been clear much earlier that an agreement with the superpowers on a Nordic nuclear weapons-free zone might contain elements which would be hard for a neutral country to accept. The very reason for the policy of neutrality which has existed up to now is the fact that it is only we ourselves who determine its contents and wording, and the fact that we also, by that means, want to reserve freedom of action for ourselves where the taking of action in a specific critical situation is concerned.

Experience during the periods when our country's neutrality was put to the test has taught us the importance of standing firm on those principles.

An agreement on a nuclear-free zone which contained direct or indirect instruments of control would be an agreement giving the superpowers, toward whom we should behave neutrally in a critical situation, a quantity of direct influence over vital portions of our security policy. It is not difficult to imagine how the possibilities of such a capability could be exploited.

The mere existence of an agreement which could be terminated on very short notice implies an ability to influence our actions. For example, the Soviet Union could claim that certain security policy dispositions in Sweden or other Nordic countries increased the danger of nuclear war, and that consequently the result would have to be that the zonal agreement would be terminated.

The ability to apply pressure which is implied here should not be underestimated.

Those responsible for Soviet foreign policy have indicated quite clearly that the Soviet Union would try to include such control mechanisms in an agreement.

In the August issue of the official periodical INTERNATIONAL AFFAIRS, the following is stated quite clearly: "The Soviet Union considers it necessary to establish effective control over the various countries' observance of the obligations they accept as part of the agreement on a nuclear weapons-free zone."

And it should be pointed out that the so-called Committee for a Nordic Zone Free of Nuclear Weapons expressly calls for the establishment of such a control instrument. The fact that the Swedish Peace Committee, which is loyal to Moscow, is one of the active groups behind that committee is not exactly surprising.

Olof Palme now has admitted that certain control arrangements and obligations of that kind cannot be consistent with a policy of neutrality. But he chooses to remain vague where answering the question as to how far one can go in accepting concrete obligations with respect to the superpowers without compromising the policy of neutrality is concerned.

One crosses a boundary line somewhere, but where is that boundary line located?

Against this background, the fact that Palme, in his speech, charges us moderates with enumerating various difficulties regarding a nuclear weapons-free zone in such a way as to give the impression that we are just making a lot of excuses, is a very strange accusation. When dealing with zonal arrangements which are inconsistent with neutrality, is it not our ultimate obligation to take every detail of that discussion with all the seriousness our policy of neutrality calls for?

How harsh should that accusation be if, on the other hand, we were willing to sweep all details, all difficulties and all principles under the rug on a question which has distinct repercussions where the policy of neutrality is concerned?

Olof Palme's speech implies that it is possible that a new discussion can take place of obligations with respect to the superpowers such as would be consistent with the policy of neutrality which has existed up to now. That discussion must be conducted in dead earnest.

Bringing about peace and security in an unsettled world is not a matter to be decided by competition between different opinions, the abandonment of opinions or persistence in holding certain opinions. No question is more important than that of peace, but for that reason it is also a question calling for prudence rather than breathless enthusiasm.

The Swedish policy of neutrality and the pattern of stability which has gradually been established in the Nordic area during the last three decades have made an effective contribution toward guaranteeing a certain quietness in our corner of the world. We should guard and protect that policy and that pattern of stability.

Being willing, as something called for by election campaign tactics, to reconsider everything and make it appear that something new, different and fundamentally better can be brought into being overnight would be to commit an unpardonable mistake.

Stability should not be sacrificed at the altar of rhetoric.

'Fund' To Be Election Issue

Stockholm DAGENS NYHETER in Swedish 1 Oct 81 pp 1, 6

[Text] The "International" was sung in unison when, after three and one-half hours of debate, the Social Democratic Party's congress said 'yes' on Wednesday to the proposal concerning wage-earners' funds. The harmony with the LO [Swedish Federation of Trade Unions] congress's resolution the preceding week was perfect.

"At last, direct instructions to be conveyed to the election campaign workers on the wage-earner's fund," was the comment of many delegates, for, if the Social Democrats come into power in the 1982 election, they intend to submit a fund proposal to the Riksdag during the following 3-year period. A proposal on profit sharing starting in 1983 is needed in the fall of 1982 to facilitate the difficult wage negotiations.

The critical comments at the party's congress referred primarily to the fact that questions of power and influence had moved too far into the background. A good deal of anger was also directed against the "campaign of inflammatory agitation" against the funds being carried on by industrialists.

Gunnar Strang won his most recent big political match. Once again, the radicals in the party were compelled to surrender. There will be no socialization of the private commercial banks even if the Social Democrats take over the political power next year.

But Strang, who left the party leadership the day before, had to play a tough match against the Youth Federation and former young people's leader Bosse Ringholm. Nearly 10 years ago, Strang warned the radicals against "leaving their rumps bare." Now Strang said that bank socialization was not "specific radicalism."

The congress voted and Strang won by 209 votes to 125. But a move against nationalization was decided upon in spite of everything.

In brief, the fund proposal which the leadership of the Social Democratic Party now has been authorized to continue to work on looks like this:

Twenty-four funds will be established--one in each administrative province. They will receive money as a result of an increase in general supplementary pensions scheme charges and also by sharing in the profits of all joint stock companies.

The funds are to invest their money in shares of all sorts of companies. They will be allowed to buy shares anywhere they want to in Sweden.

One demand that is made of the funds is that they shall provide a "normal" yield. That yield is to go to the AP [expansion unknown.] funds to support the pension system. That is called "individual linking" with the funds. Additional linkings of that kind can be considered.

At the beginning, the fund managements are to be chosen by the trade unions, but later on elections with everybody who has general supplementary pensions scheme poings being entitled to vote are conceivable. Other models can also be imagined.

'Fund' Could Polarize Parties

Stockholm DAGENS NYHETER in Swedish 4 Oct 81 p 2

[Editorial by Olof Kleberg: "The Comrades' Congress"]

[Text] "Why did you go, comrade?" the Lagorna singing group from Umea asked in a concluding song at the Social Democratic Party's congress in the Folkets Hus in Stockholm yesterday. Yes, comrades had been enticed to leave the party by promises of new jobs and no nuclear power.

"It was a mistake, comrade," the group sang, and concluded with: "We will win again, comrade!"

That is how many within the party still feel, and many who left it during the 1970's are believed to think the same thing, if one is to trust opinion polls. Disappointment over the Center Party's unfulfilled promises and the policies of the various nonsocialist parties have driven many voters back to Social Democracy.

The congress was a manifestation of unity in regard to the guiding principles the party leadership drew up in its "Sweden's Future" crisis program and the resolution regarding wage-earner funds.

As Olof Palme expressed it in his closing speech, it was a "low-voiced" congress. One can express the same thing more critically. It was an entirely smoothed-out meeting where the party leadership kept the delegates in check almost without exception and where the delegates themselves, for the most part, presented messages on views or opinions in their party districts but debated with each other infrequently.

But it is not enough to say that. If one stops there, one misses the significance of the week-long assemblage of 350 delegates from all over the country. The party's active members now seem to be united, generally speaking, on an alternative

government in anticipation of the 1982 election. The economic difficulties and the nonsocialist parties' unsuccessful attempts to attract more of a following always gives the Social Democrats big hopes of winning back the power a year from now.

Furthermore, there is the fact that, for the first time since losing control of the government in 1976, the party can present a proposal on how Sweden should get out of the present critical situation with which all members are in agreement. Criticism of the party for having just opposed what the nonsocialist governments propose too much—whether it was a matter of devaluation, increasing the value-added tax, borrowing money or economizing—that criticism has also been heard within the Social Democrats' own ranks.

The active members feel that the party now has overcome its hesitancy with regard to the wage-earners' funds, which got the election campaigns into a muddle in both 1976 and 1979.

Certainly, the party leadership wants to win the election on "everyday questions"—unemployment, increased prices, the housing problem and the economizing in the social sector. But a greater amount of confidence that they now will actually be able to handle a campaign debate on the funds successfully can be observed.

The future of the Social Democrats is not all that clear and spectacular. The social bonds in Swedish society continue to be loosened, and consequently the natural process of voting with the other members of one's social class is loosening up, too. The Social Democratic base is no longer as firm as it once was.

The voters are very flexible. That was evident in public opinion during the scant year from the fall of the first Falldin government in 1978 through the balmy days of the Liberal Party government in the spring of 1979 and on to the election in the fall of that same year. A lot can happen before September 1982.

Even if the principles behind the Social Democrats' funds have now been laid down, a number of question marks remain. How shall the executive committee be chosen? Should unionists get involved at all? How can it be guaranteed that the funds will satisfy the demand for a good yield? How can one be sure that wage-earners' organizations will be moderate in their demands for wages if they become co-influential through the funds?

These and other points on which there is a lack of clarity can also make voters who are not opponents on principle of any form of collective fund dislike the idea of supporting the Social Democrats.

Another serious difficulty where the active members of the party are concerned is the antagonism between industrial employees and government employees. That antagonism was clearly expressed in the debate during the congress on the program which is intended to deal with the critical situation in Sweden. Local government politicians and delegates from the public sector took the program's talk about sharp restraint in the government and the towns to provide scope for industrial investment very lightly. How is that antagonism to be bridged over during the election year when the party's local action program is being drawn up?

Olof Palme characterized the party congress as a congress of the outstretched hand. By that he meant that the party is willing to discuss the crisis program and funds with outsiders. Fine, but that is not going to happen on the Social Democrats' conditions without any more ado. Dialogue, rather than authoritative commands, is what is required in a political debate. No party, by itself, is going to get Sweden out of its present crisis.

It would be salutary if the coming election year did not become a year of ruthless confrontation between the right and the left. As can be seen in the news section of yesterday's DAGENS NYHETER, the government intends to counteract that by working out an intermediate alternative of its own.

Over the short term, the Conservatives and the Social Democrats can win in a confrontation, but Sweden would be the loser over the long term.

Palme, Bohman Join To Threaten Government

Stockholm DAGENS NYHETER in Swedish 6 Oct 81 p 6

[Commentary by Sven Svensson: "Politicians Collect Votes and Do Not Bother about the Country"]

[Text] A confrontation for big stakes--that is what is going to be the result in the new Riksdag which is convening today. All parties are concentrating on collecting the largest possible number of votes in the 1982 election and not bothering about how the country is getting along.

No matter how the 1982 election turns out, cooperation is called for across the dividing lines between blocs so that Sweden's economic problems can be resolved. The non-socialist parties cannot take care of that by themselves, and neither can the Social Democrats. Sensible, long-term decisions which will strengthen Sweden's ability to compete require that arrangements across those dividing lines be made.

Such cooperation is more remote today than it ever has been during the last 10 years. The attempts which have been made to break through those dividing lines between blocs have turned out negatively in every case from the parties' points of view. It has always been most profitable to remain outside--to oppose something or someone. Both the Social Democratic and the nonsocialist bodies of voters have usually reacted with their gut feelings.

The Hage Epoch Was the First Attempt

The Hage epoch was the first serious attempt to break through bloc politics and create majorities capable of taking action. Things did not go very well for Gunnar Helen, the cooperation engineer, who resigned.

During more recent years, too, attempts have been made to achieve broad, cooperative arrangements. The most authentic attempt of that kind was concerned with working out the 1978 energy policy after the three-party government had broken down over the charging of new nuclear power plants. The Liberal Party and the Social Democrats got together to build 12 nuclear power plants, a concession by the Liberal Party, which wanted to have 11 nuclear power plants.

Then the reactor accident occurred in Harrisburg. On that "crazy Wednesday," Palme decided to accede to the call for a referendum to salvage as many votes as could be salvaged before the 1979 election. The Liberal Party government pulled a long face after its compromise with Palme and swallowed its annoyance.

The second attempt was concerned with the agreement on taxes in the spring between the Social Democrats, the Center Party and the Liberal Party for 1983 and 1984.

When the agreement was submitted, Kjell-Olof Feldt (Social Democratic Party) said that the middle parties had capitulated to the Social Democrats.

The Social Democrats could not give the moderates any better support, although Feldt's primary purpose was to defend the agreement against his own voters, and as a matter of fact there certainly was a need for that.

Who capitulated to whom is disputable. It is entirely clear that the Center Party and the Liberal Party agreed to a year's postponement with reductions in the tax rate on increases in income, in conformity with a Social Democratic demand.

On the other hand, the Social Democrats had agreed to large reductions in those tax rates for civil servants. That is hard for LO [Swedish Federation of Trade Unions] groups to accept when the meaning of the agreement gradually appears in plain language.

And now, although it is somewhat overshadowed by the dispute over the value-added tax which is attracting so much interest at present, we have suddenly seen the inception of a new kind of coalition--a reddish-blue coalition--between the Social Democrats and the moderates.

The ill-assorted pair of Palme and Bohman united in a joint call to move toward a shortening of the period for submitting motions concerning value-added tax reductions, and also, for the time being, in opposition to the value-added tax reduction itself. It will be interesting to see how long this linking of interests will hold together.

Crude and Heartless Melody Is Approaching

But Thorbjorn Falldin also is not idle where sounding the call to battle is concerned.

In interview after interview, Falldin has attacked Palme's wage-earners' funds; he has called the fund proposal socialism of the kind which exists in eastern European countries and warned against switching over to a planned economy.

We will have to see how long merely saying "no" will last. Since politicians cannot economize and since industrialists are not allowed to have big profits for the wage-earners, some sort of fund to take care of the need for capital is needed.

Olof Palme describes the SAP [Swedish Social Democratic Labor Party] congress which was just concluded as the congress of the outstretched hand.

At present, there is nothing that is said from speakers' platforms or in interviews which would indicate that the Social Democrats, or any other party, would be ready to stretch forth their hands in the face of the electioneering which is already in its infancy. Experience with cooperation across the dividing lines between blocs has been negative everywhere.

According to Palme, the SAP congress's melody was low-voiced and calm. The signs in the sky indicate that the election campaign's melody will be unusually crude and heartless. The struggle is for power, and the end justifies the means.

Possible Referendum on 'Fund'

Stockholm DAGENS NYHETER in Swedish 3 Oct 81 p 1

[Text] "A referendum on wage-earners' funds is conceivable, but that is not a matter of current interest at present. First, the fund question has to be discussed intensively right up until the election. For us, it will be a question of standing guard against socialism along the frontiers." That is what Prime Minister Thorbjorn Falldin said in an interview with DAGENS NYHETER.

"After the congresses of the Social Democrats and the LO, it is clear that they want to bring about a basic change in Swedish society by means of the fund proposal," Falldin thinks.

"The Social Democratic Party and the LO have written in their program that they desire a socialist society," he said.

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BRIEFS

VINKA TRAINER ENTERS SERVICE--The Finnish-built training aircraft Vinka entered full service on Thursday at the air force school at Kauhava. The school now has 12 Vinkas, and all 30 aircraft which the air force has ordered will be in service in the spring. The air force school also placed its British-built Hawk simulator in service on Thursday for training the pilots who are going to fly the Hawk aircraft. The air force ordered the prototype Vinka 8 years ago, and the first flight tests were made several years ago. The delivery agreement between Valmet and the air force was signed in 1977. The first aircraft was delivered last year. When all the Vinkas are in service, the present training aircraft Saab-Safir can be scrapped. The French Fouga Magister will be used for advanced training until 1985, when it will be replaced by the Hawk. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 2 Oct 81 p 15] 9287

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